IRAQ GOVERNANCE STRENGTHENING PROJECT (TAQADUM)

Annual Monitoring and Evaluation Report

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ACRONYMS

ARDP	Accelerated Reconstruction Development Project
COMSEC	Council of Ministers Secretariat
COR	Council of Representatives
CSD	Citizen Services Desk
CSO	Civil Society Organization
CSS	Citizen Satisfaction Survey
DEC	Development Clearing House
FAD	Financial Affairs Department
DG	Director General
DMAT	Decentralization Mapping and Analysis Tool
ESDO	Essential Service Delivery Oversight
FAD	Financial Affairs Department
FMIS	Financial Management Information System
GO	Governor's Office
GOI	Government of Iraq
GSP	Governance Strengthening Project
GSP/Taqadum	Governance Strengthening Project/Taqadum
HCCP	High Commission for Coordination between Provinces
HCCPSEC	High Commission for Coordination between Provinces' Secretariat
ICI	Intergovernmental Coordination Implementation
IDP	Internally Displaced Person
IDS	Iraq Development and Sustainability
IDIR	Issue Tracking System
IOM	International Organization of Migration
ISF	Iraq Security Forces
ISIL	The Islamic State of Iraq and the Levant
ITRS	Issue Tracking and Reporting System
KRG	Kurdistan Regional Government
Law 21	Provincial Powers Act (2008) or "Transfer of Functions" Law, calling for decentralization of the government and the transfer of suitable ministerial "functions" to the provincial governments
LOP	Life of Project
LT	Long-term
LTTA	Long-term Technical Assistant
M&E	Monitoring and Evaluation
MCHPM	Ministry of Construction, Housing, and Public Municipalities
MOCH	Ministry of Construction and Housing
MOE	Ministry of Education
MOF	Ministry of Finance
MOH	Ministry of Health
MOLSA	Ministry of Labor and Social Affairs
MOP	Ministry of Planning

MOU	Memorandum Of Understanding
MOYS	Ministry of Youth and Sports
NDP	National Development Plan
NGO	Non-Governmental Organization
OCHA	Office of Coordination of Humanitarian Affairs
OD	Organizational Development
OSTP	Organizational Self-Assessment and Transformation Program
PACS	Project Activity Cost Sharing
PC	Provincial Council
PM	Prime Minister
PMAC	Prime Minister's Advisory Council
PMP	Performance Monitoring Plan or PMP Performance Management Plan
PM&E	Performance Monitoring and Evaluation
PPDC	Provincial Planning and Development Councils
PPL	Provincial Powers Law
PMO	Project Management Office
PRCS	Project Results Cost Sharing
PTCS	Project Transition Cost Sharing
SAB	Supreme Audit Board
SC	Sectoral Subcommittee
SD	Service Delivery
SDI	Service Delivery Improvement
SDIP	Service Delivery Improvement Plan
SDIPIC	Service Delivery Improvement Plan Implementation Committee
SDIPDC	Service Delivery Improvement Plan Development Committee
SDPS	Service Delivery Performance Standards
SDSR	Service Delivery Status Report
SLIT	Sub-legislation Implementation Tracking
SMART	Specific-Measureable-Achievable-Realistic – Time bound
SOPs	Standard Operating Procedures
SOW	Scope of Work
SP	Strategic Plan
SS	Success Story
ST	Short-term
STTA	Short-term Technical Assistance
SWOT	Strengths-Weaknesses-Opportunities-Threats Analysis
TA	Technical Assistance
Taqadum	Arabic for "moving forward"
TF	Provincial Task Force
TOT	Training of Trainers
TSI	Technical Support to Iraq (Program)
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

As per Section F.7.B.(6), Chemonics provides its Annual Monitoring and Evaluation Report for the Iraq Governance Strengthening Project (Taqadum) under Contract No. AID-267-C-11-00006. This report provides an analysis of progress against performance indicator targets, project highlights, an evaluation of major program areas, cost effectiveness, lessons learned, and recommendations. Readers of this plan should be familiar with the USAID Contract No. AID-267-C-11-00006 with all its modifications, Taqadum approved Work-plan, Performance Management Plan, Monitoring and Evaluation Plan, and Quarterly Performance Reports.

This is an annual report covering a whole program year of 2015 (from October 1, 2014 thru September 30, 2015), however, this report has covered the achievements of GSP/ Taqadum for the last quarter of previous program year (FY2014 – Q4) plus the whole program year in question (FY 2015) since GSP/ Taqadum's objective was shifted to focus on administrative decentralization on that date. The subject set of indicators was approved by USAID on September 23, 2015 through PMP of Mod # 11.

ANALYSIS OF INDICATORS

Indicator #1: Life of Project Change in Provincial Sectoral Services Indicators due to GSP Intervention

Life of project means starting from launching decentralization thru the end of GSP/ Taqadum on Sep 30, 2016. Change represents the difference between the baseline of services indicators and after GSP intervention by having the provincial directorates implement the recommended solutions in adopted SDIP. Sectoral services indicators are related to health, education, water, sewage, and municipality, explained in detail in the following table:

This is a life-of-project indicator that the actual will be calculated and reported shortly before the end of FY2016

Sector	Indicator	Baseline % (Before GSP Intervention)								Target % (Post GSP Intervention)							
	Provinces[1] ➡	BL	BG	DW	DY	KK	NJ	WS	Avg	BL	BG	DW	DY	KK	NJ	WS	Avg
Water	Coverage	71	82	70	96	90	98	100	86.71	75	90	75	98	94	99	100	90.14
	Quantity	85	77	77	88	56	89	94	80.86	86	85	83	91	65	92	98	85.71
	Quality	78	79.87	78	99	100	97	98	89.98	80	90	82	99	100	98	98.5	92.50
	Continuity	86	77.4	88	89	33.3	100	83	79.53	90	85	93	96	40	100	83	83.86
	Citizen compliance responsiveness	95	87.3	90	96	91.15	95	98	93.21	100	100	95	96	100	98	98.5	98.21
Sewage	Coverage of sewage network	24	0	30	4.21	0	80	29	23.89	24	15	40	4.21	0	88	42	30.46
	Coverage of storm water network	12	60	39	29.6	60	65	58	46.23	12	70	49	29.6	62	72	70	52.09
	Sewage treatment efficiency	55.75	0	10	0	0	60	0	17.96	65	15	15	0	0	65	0	22.86
	Citizen compliance responsiveness	100	100	87	90	100	92	80	92.71	100	100	90	95	100	96	92	96.14
Municipalities	Trash Collection Coverage	100	60	100	98	100	100	80	91.14	100	70	100	98	100	100	80	92.57
	Trash Collection Efficiency	60		70	85	85	64	80	74.00	60		80	85	95	72	80	78.67
	Citizen compliance responsiveness	100	80	80	96	100	85	90	90.14	100	90	90	96	100	91	90	93.86
Health	PHC centers coverage	28	22	37.5	36	75	37.5	32	38.29	31	35	48	36	87	38	38	44.71
	Staff	61	62	41.8	22	26	54.18	28	42.14	65	70	50	22	45	63	3	45.43
	Medical equipment	70	90	18.2	28	40	83.48	26	50.81	80	100	25	100	50	85	48	69.71
Education	Coverage	92	49.3	63	73.5	94.1	65	64	71.56	94	60	68	83	96.6	66	69	76.66
	Staff	87	82	69	100	86	98	100	88.86	90	86.7	79	100	88.5	98.5	100	91.81
	ESE[2] : Student joining indicator	93	73.3	66	56.1	96.4	98	67	78.54	95	83.3	73	60	98.9	98.5	69	82.53
	Aggregate Average	**72.10**	**63.66**	**61.92**	**65.62**	**68.50**	**81.18**	**67.06**	**68.71**	**74.83**	**73.24**	**68.61**	**72.15**	**73.44**	**84.44**	**69.94**	**74.14**

[1] BL: Babil; BG: Baghdad; DW: Diwaniyah; DY: Diyala; KK: Kirkuk; NJ: Najaf; WS: Wasit; Avg=Average
[2] ESE: Education System Efficiency ; figures of Baghdad Education are the average of Rusafa 2, Karkh 2, and Karkh3

Indicator #2: Number of Decentralization Action Plans Developed and Submitted to HCCP

Indicator #2 Number of Decentralization Action Plans Developed and Submitted to HCCP	All Provinces	Anbar	Babil	Baghdad	Basrah	Dhi Qar	Diwaniyah	Diyala	Karbala	Kirkuk	Maysan	Muthanna	Najaf	Ninawa	Salah ad-Din	Wasit
Target (2015)	21	-	3	3	-	-	3	3	-	3	-	-	3	-	-	3
Actual (2015)	27	-	3	3	-	-	3	3	-	3	-	3	3	3	-	3
Variance	6	0	0	0	0	0	0	0	0	0	0	3	0	3	0	0

Description: The decentralization action plan is referred to as an Intergovernmental Coordination Implementation (ICI) Action Plan. Intervention undertaken by each targeted province is to develop action plans for decentralizing each of the three-targeted ministries: Education, Health and (Former) Municipality and Public Works. The action plans are built on consensus recommendations for administrative decentralization based on a comprehensive organizational assessment of targeted directorates; and the legal and regulatory reform needed to transfer authorities, functions, tasks, competencies, and funding to Governorates.

Variance Analysis: The positive variance was achieved due to that Muthanna and Ninawa have completed, earlier than expected, the ICI plans including the three targeted ministries of Health, Education, and Municipalities; then, submitted to HCCP at the end of FY2015. These two provinces were supposed to complete the ICI plans and submit to HCCP during FY 2016.

The LOP target is 45 to be met during FY 2016.

Indicator #3: Number of provincial staff trained to implement decentralization activities

Indicator #3 Number of provincial staff trained to implement decentralization activities	All Provinces	Anbar	Babil	Baghdad	Basrah	Dhi Qar	Diwaniyah	Diyala	Karbala	Kirkuk	Maysan	Muthanna	Najaf	Ninawa	Salah ad-Din	Wasit
Target (2015)	**950**	40	40	180	70	70	40	70	70	70	70	70	40	40	40	40
Actual (2015)	**1631**	98	120	246	167	31	65	164	58	130	47	82	178	80	67	98
Variance	**681**	58	80	66	97	-39	25	94	-12	60	-23	12	138	40	27	58

Description: "Trained to Implement Decentralization Activities" is defined as participation in GSP/Taqadum organized training events (conferences or workshops) and/or technical assistance sessions. Each participant is considered unique, since the start of decentralization activities in April 2014 thru the end of the project, and counted once regardless of the number of training or technical assistance sessions attended by the participant. Activities are specific to developing capacity in decentralization and improving service delivery for PC members; GO and Directorate staff. Excluded from this indicator is local government staff who trained on: (1) organizational development process mapping and procedures or (2) local revenue generation and collection as they are counted separately in specific indicators #6 and #9 respectively.

Variance Analysis: Very high positive variance is due to the expansion of areas of operations (newly targeted eight provinces with a high interest in the subject). Negative variance in three provinces of Dhi Qar, Karbala and Maysan is that they assign same staff in some occasions to be trained on process mapping or revenue generation in addition to other decentralization areas of knowledge. This resulted in excluding them to be counted within this indicator since they are already counted either in indicator #6 or #9. Target of these three provinces will be met in the coming quarters.

The LOP target is 1,630 unique provincial staffers.

Indicator #4: Percentage of total functions transferred to directorates as determined by the adopted ICI plan

Description: By the adopted ICIP, the total functions that could potentially be transferred gradually to the provincial level is 291: 32 (health), 41 (education), and 218 (municipality).

Law 21 was amended for the second time in June 2013. Passage of this second amendment mandates that governance will be decentralized by delineating certain powers to provincial levels of government, enabling them to enact provincial legislation, regulations, and procedures; and transferring suitable technical, legal, and administrative powers or ministerial "functions" of eight ministries to provincial governments of provinces not incorporated into a region. After years of uneven progress toward implementation of decentralization, these changes were supposed to take place when Law 21 went into effect on August 5, 2015. However, the HCCP on August 1, 2015 and COM Order 304 on August 4, 2015 extended the implementation for three months, i.e. November 4th 2015.

The target of this indicator was planned to meet in FY2016 with a target LOP of 70% of the total number of functions identified in ICIP (291), which equals 203 functions.

Indicator #5: Number of provincial local administration structures to manage decentralization defined

Indicator #5 Number of provincial local administration structures to manage decentralization defined	All Provinces	Babil	Baghdad	Basrah	Dhi Qar	Diwaniyah	Diyala	Karbala	Kirkuk	Maysan	Muthanna	Najaf	Wasit
Target (2015)	7	1	1	0	0	1	1	0	1	0	0	1	1
Actual (2015)	7	1	1	0	0	1	1	0	1	0	0	1	1
Variance	0	0	0	0	0	0	0	0	0	0	0	0	0

Description: Developing provincial local administration structure refers to interventions undertaken by targeted provinces to define a local administration structure that allows Governor's Offices to perform their responsibilities under amended Law 21 to oversee and manage decentralized Health, Education, and Municipality and Public Works directorates.

Variance Analysis: variance is zero as GSP/ Taqadum met the target of this program year in the second quarter. Additional target of five was set for the new targeted southern provinces to meet during coming fiscal year.
LOP target is 12 to be met at the end of FY2016.

Indicator #6: Number of local government staff trained on organizational development process mapping and procedures

Indicator #6: Number of local government staff trained on organizational development process mapping and procedures	All Provinces	Babil	Baghdad	Basrah	Dhi Qar	Diwaniyah	Diyala	Karbala	Kirkuk	Maysan	Muthanna	Najaf	Wasit
Target (2015)	**0**	0	0	0	0	0	0	0	0	0	0	0	0
Actual (2015)	**248**	10	13	23	21	33	21	6	32	10	24	8	47
Variance	**248**	10	13	23	21	33	21	6	32	10	24	8	47

Description: Local Government staff is either GO, PC or directorates staff who trained exclusively on organizational development (OD) process mapping and procedures which is reflected in work plan element C3.2 (Process Mapping) and C3.3 (Streamlining) mentioned in the related PMP.

Variance Analysis: High Positive variance is because:

- The target would be achieved in FY2016 but GSP has managed to train the mentioned numbers of local government staff on organizational development process mapping and procedures during FY2015 Q4.
- During planning phase, PC staff was excluded but over the course of implementation, local governments, particularly PC Chairs, requested to be involved in this subject.
- Targeted departments and GOs were HR/ Admin as one staffer from each but heads of directorates asked to involve more staff from other departments in this subject.

The LOP is 84 to be met in FY2016, however, GSP/ Taqadum has already exceeded its target.

Indicator #7: Number of functions related to service delivery that are mapped, streamlined and posted

Description: functions related to service delivery are the devolved functions in the health, education, and municipality, water and sewer directorates (with priority given to functions that are directly related to citizen services).

Process-mapped and streamlined based on available resources in the directorates. The streamlining will include collectively re- examining key processes with stakeholders – all individuals who are involved with inputs and outputs of a specific process, recording and preparing a written diagram which illustrate the complete process, resources, timeline, and externalities which impact the process, and adopting SOPs based on written descriptions of each step in the process.:

Variance Analysis: Not applicable for this program year.

The LOP is 118 functions to be process mapped, streamlined and posted during FY2016.

Indicator #8: Number of units implementing newly devolved functions and authorities

Indicator #8 Number of units implementing newly devolved functions and authorities	All Provinces	Anbar	Babil	Baghdad	Basrah	Dhi Qar	Diwaniyah	Diyala	Karbala	Kirkuk	Maysan	Muthanna	Najaf	Ninawa	Salah ad-Din	Wasit
Target (2015)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Actual (2015)	15	0	1	2	0	2	1	2	0	2	1	1	1	1	0	1
Variance	15	0	1	2	0	2	1	2	0	2	1	1	1	1	0	1

Description: A unit would be any section, division, or department of the provincial or local government implementing the functions or authorities delegated or devolved to it from the central government. In particular, this indicator is counting newly established provincial Financial Affairs Departments (FADs) that are newly established in GO to support and sustain the transferred functions. In addition the Local Revenues Units established will be counted as it fall into the same subject.

As FAD establishment needs a COR approval, and to expedite the process of establishment, provinces established two units each; one for budgeting and the other is for accountancy. These two units are counted as one since it replaces Financial Affairs Directorate.

Variance Analysis: Positive variance is because the target would be achieved in FY2016 but GSP/ Taqadum has managed to establish 15 units during this quarter. The established units are as follow:

- Eleven GOs have established two units each; one for budgeting and the other is for accountancy. These two units are counted as one since it replaces Financial Affairs Directorate. The eleven provinces did that during FY2015 are: Babil, Baghdad, Dhi-Qar, Diwaniyah, Diyala , Kirkuk, Maysan, Muthanna, Najaf, Ninawa, and Wasit
- Four (4) GOs have established Local Revenue Units. These GOs are of Baghdad, Dhi Qar, Diyala, and Kirkuk.

LOP target is 12 units through the life of project while GSP/ Taqadum has already exceeded the target by establishing 15 so far.

Indicator #9: Number of local government staff trained on local revenue generation and collection

Indicator #9: Number of PPDCs Strengthened Through GSP Assistance Number of local government staff trained on local revenue generation and collection	All Provinces	Babil	Baghdad	Basrah	Dhi Qar	Diwaniyah	Diyala	Karbala	Kirkuk	Maysan	Muthanna	Najaf	Ninawa	Wasit
Target (2015)	273	23	23	23	23	23	23	22	23	22	22	23	0	23
Actual (2015)	174	8	38	3	26	8	12	8	23	7	8	24	2	7
Variance	-99	-15	15	-20	3	-15	-11	-14	0	-15	-14	1	2	-16

Description: Local Government staff is either GO, PC or directorates staff who trained exclusively on local revenue generation and collection, which is reflected in work plan element C4.1 mentioned earlier in the last approved PMP. Government staff is mostly from Finance and/ or Accounting units/ departments.

Training is defined as workshops, training sessions or technical assistance that involve the guiding principles, structures and collection mechanisms for user fees and other revenue collection; including taking steps to create an enabling legal environment to facilitate direct payments, and conducting public surveys to determine constituents' willingness to pay for clearly identified services.

Each participant is considered unique, since the start of such activities thru the end of the project, and counted once regardless of the number of training or technical assistance sessions attended by the participant.

Activities are specific to developing capacity in local revenue generation and collection for GO, PC members and staff as well as targeted directorates' staff.

Variance Analysis: Negative variance is due to that GSP/ Taqadum has focused on establishing Local Revenue Units in the target governorates. Training focused on the staff of these units to make the best benefit by developing the capacity to manage the new units in a proper way.

LOP Target is 468 to be met in FY2016.

Indicator #10: Number of provinces that enhance budgeting, financial management, and internal control system

Description: Budgeting refers to Provincial Councils and Governors' Offices undertaking their responsibilities under the 2008 Provincial Powers Act to examine, read, and approve the capital investment plus operation and maintenance budgets.

Financial management refers to financing of all spending units in the province; tracking investment and operations budgets execution; and reporting to the Finance Ministry.

Internal control system refers to performing auditing and financial control. Enhancement in internal control helps define the levels of accountability within organizational chains of command and mitigate instances of fraud and corruption.

To meet the threshold to be counted, each province must meet three of the following four conditions:

- Capital Investment Budget step-by-step is developed as a standard operating procedures (SOP) with an adoption letter from PC
- Provincial Financial Affairs Directorate (PFAD) is established and its staff is nominated
- List of prioritized projects is developed in accordance with citizens needs with allocated budget from federal government and local revenue.
- Adoption letter of last updated existing guidance published by Supreme Audit Board (SAB) is issued

Variance Analysis: not applicable for FY2015.

LOP target is 9 to be met in FY2016.

Indicator #11: Number of legal workgroups/units formed/expanded in PC to draft laws and regulations to solve conflictions with decentralization

Indicator #11: Number of legal workgroups/units formed/expanded in PC to draft laws and regulations to solve conflictions with decentralization	All Provinces	Babil	Baghdad	Basrah	Dhi Qar	Diwaniyah	Diyala	Karbala	Kirkuk	Maysan	Muthanna	Najaf	Wasit
Target (2015)	7	1	1	0	0	1	1	0	1	0	0	1	1
Actual (2015)	12	1	1	1	1	1	1	1	1	1	1	1	1
Variance	5	0	0	1	1	0	0	1	0	1	1	0	0

Description: Legal working group/unit/ or council committee consists of staff/ members that will do researching, prioritizing, analyzing and advising; as well as drafting laws, rules, and regulations.

Legal working group/unit/ or council committee is counted if the PC Chair/ Vice Chair issued:
- Letter of formation/ expansion a legal working group/unit/ or council committee;
- Letter of nominating staff/ members for the legal working group/unit/ or council committee; and
- Legal working group/unit/ or council committee got training on analyzing, prioritizing, and drafting legislations and regulations

Variance Analysis: Positive variance is due to that GSP has managed to establish legal workgroups in the newly five targeted provinces during FY2015 while it was planned to achieve in FY2016.

The LOP target is 11. GSP/ Taqadum has already exceeded the target.

Indicator #12: Number of drafted amendments to deconflict decentralization laws and regulations

Indicator #6 Number of drafted amendments to deconflict decentralization laws and regulations	All Provinces	Anbar	Babil	Baghdad	Basra	Dhi Qar	Diwaniyah	Diyala	Karbala	Kirkuk	Maysan	Muthanna	Najaf	Ninawa	Salah ad-Din	Wasit
Target (2015)	0	drafted amendments are national-level proposals														
Actual (2015)	35	drafted amendments are national-level proposals														
Variance	35															

Description: Deconflict decentralization laws and regulations are defined as being in conflict with the decentralization process that need amendments to resolve these conflicts.

Amendments drafts for discussion and legislation are either submitted to COR, COM or PC.
Drafted amendments are considered only when it is submitted to either COR, COM or an internal Memo to PC as an attachment to official letter for discussion and adoption.

<u>Variance Analysis:</u> Positive variance is because GSP has managed to build consensus among 10 governorates to draft amendments to 35 decentralization conflicting laws and have PCs and GOs send official letters to COM and COR during this quarter even though the target was to achieve in FY2016.

35 laws with 131 articles amended within the unified letter is breakdown as follow:

- 15 laws governing ministries with 34 articles
- 7 laws related to MOE with 40 articles
- 6 laws related to NOH with 28 articles
- 3 laws related to Municipality and Municipalities Directorates with 7 articles
- 2 laws related to Water and Sewage Directorates with 20 articles
- 2 laws related to Urban Planning Directorate with 2 articles

However the drafted laws are considered national, below is a table illustrating the provinces (PC or GO) that have sent official letters attaching the drafted amendments to either COR or COM:

Babil	Baghdad	Basrah	Dhi Qar	Diwaniyah	Diyala	Kirkuk	Muthanna	Najaf	Wasit
PC Letter to COR	PC Letter to COR	PC Letter to COR	PC Letter to COR	PC Letter to COR	PC Letter to COR / GO Letter to COM	GO Letter to COM	GO Letter to COR	GO Letter to COM	PC Letter to COR / GO Letter to COR

The LOP target is12 as 30% of total identified conflicting laws (35), which GSP/ Taqadum has already exceeded the set target by achieving 100% during this program year rather than the next.

Indicator #13: (F) Number of Sub-national entities receiving GSP/Taqadum assistance that improve their performance

Indicator #13: (F) Number of Sub-national entities receiving GSP/Taqadum assistance that improve their performance	All Provinces	Anbar	Babil	Baghdad	Basrah	Dhi Qar	Diwaniyah	Diyala	Karbala	Kirkuk	Maysan	Muthanna	Najaf	Ninawa	Salah ad-Din	Wasit
Target (2015)	600	20	35	35	60	60	35	35	55	35	60	60	35	20	20	35
Actual (2015)	903	78	53	113	67	29	31	100	40	91	34	58	66	52	54	37
Variance	303	58	18	78	7	-31	-29	65	-15	56	-26	-2	31	32	34	2

Description: Sub-national entities refer to government units administratively responsible for a specific sub-area within the nation's territory, including their departments and divisions. Sub-national entities may be at the regional, state/provincial, district/county or municipal level. Improved performance is measured by an increase in quantity, increase in quality (as measured and/or as perceived by end users), and decreased unit cost of provision of service. Services on which they might be working to improve performance will vary by country, but may include water, sewerage, solid waste, and storm drains.

GSP/Taqadum assistance efforts not only aim to improve the quality and quantity of selected services, but to impart rational management approaches to ensure long-term viability.

Operating units should define the services targeted for improved performance, the type of improvement targeted, and the specific entities receiving assistance in the indicator reference sheet and performance narrative.

Variance Analysis: High positive variance is due to the high interest of departments and units to be involved within GSP interventions in the expanded areas of operations (new eight provinces: five southern plus three ISIL-controlled).

LOP target is 920 while "Entities" are counted only once since decentralization activities have been launched (April 2014) for the whole LOP.

Indicator #14: Number of provincial Sectoral performance standards developed with line ministries to address service delivery issues

Indicator #14: Number of provincial Sectoral performance standards developed with line ministries to address service delivery issues	All Provinces	Babil	Baghdad	Basrah	Dhi Qar	Diwaniyah	Diyala	Karbala	Kirkuk	Maysan	Muthanna	Najaf	Wasit
Target (2015)	17	2	5	0	0	2	2	0	2	0	0	2	2
Actual (2015)	17	2	5	0	0	2	2	0	2	0	0	2	2
Variance	0	0	0	0	0	0	0	0	0	0	0	0	0

Description: Provincial performance standards serve as benchmarks against which current level of services are measured and actions taken to correct deficiencies. GSP/Taqadum assists the water, sewerage, municipality, health and education directorates in the new southern five-targeted provinces develop and apply performance standards in the health and education sectors. Summation of the sets of performance standards developed in water, sewerage, municipality, health and education in the five new southern provinces. Each set of performance standards can contain multiple sub-performance standards; however, each set will be counted once and each targeted province is counted separately.

To qualify to be counted as meeting the indicator threshold, the following three criteria must be met:
- The target province must have established a CSD unit or workgroup
- Performance Standards (SDPS) for water, sewerage, municipality, health and education (in the new five-targeted provinces) must have been developed and adopted by targeted directorate.
- Service Delivery indicators to be measured issuing status reports that reflect gaps in services against the standards.

Variance Analysis: The target of this indicator for FY2015 has already been met in Q2 as the seven target provinces met all set thresholds of:
- The target province established an ESDO unit or workgroup
- Performance standards for health and education (in 7 provinces) in addition to municipality, sewage, and water for Baghdad only; one field test conducted for the said services above.
- A written report related to the findings of the field tests and recommendations for improvement issued.

The LOP target is 42 as additional target (25) for the five targeted southern provinces is to be achieved in FY2016.

Indicator #15: Number of Service Delivery Improvement Plans drafted

Indicator #15: Number of Service Delivery Improvement Plans drafted	All Provinces	Babil	Baghdad	Basrah	Dhi Qar	Diwaniyah	Diyala	Karbala	Kirkuk	Maysan	Muthanna	Najaf	Wasit
Target (2015)	35	5	5	0	0	5	5	0	5	0	0	5	5
Actual (2015)	37	5	7	0	0	5	5	0	5	0	0	5	5
Variance	2	0	2	0	0	0	0	0	0	0	0	0	0

Description: Service delivery improvement refers to gauging the quality or level of service delivery to citizens and putting forward plans to address deficiencies. GSP/Taqadum has been working through SDC to assist targeted provinces to develop short and long-term plans to improve services in water, sewage, municipality, health, and education. This improvement plan is known as the Service Delivery Improvement (SDI) plan. The output of this province-level activity is the development of a model of SDI plan for each of the five service sectors.

To better inform the SDI plan, information from directorates is gathered and analyzed. The information collected includes workflows of current services to support recommendations on how to improve key services. Additionally, service delivery information, including established service delivery standards and indicators as well as neighborhood rapid-scan surveys, will be utilized to assess the current state of service delivery in the provinces so as to establish service delivery gaps that need to be addressed. The components of the SDI plan may include and is not limited to: identify service delivery performance deficiencies (gaps), service delivery process enhancements; and best practices of organizational, service delivery, and management.

Variance Analysis: During FY2015 Q2, the five sectors of water, sewer, municipality, health and education of each of the seven initially target provinces have developed a specific SDI Plan.
The positive variance was because of targeting three education directorates in Baghdad rather than one. The three targeted education directorates are Karkh 2nd, Karkh 3rd, and Rusafa 2nd.

LOP target is 60 as additional target (25) for the five target southern provinces is to be achieved in FY2016.

Indicator #16: Percentage of implemented solutions of identified solutions in Service Delivery Improvement Plans

Indicator #16: Percentage of implemented solutions of identified solutions in Service Delivery Improvement Plans	All Provinces	Babil	Baghdad	Diwaniyah	Diyala	Kirkuk	Najaf	Wasit
Target (2015)	20%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%
Actual (2015)	33.07%	5.64%	5.96%	3.61%	3.61%	3.13%	5.33%	5.80%
Variance	13.07%	2.78%	3.10%	0.75%	0.75%	0.27%	2.83%	2.94%

Description: GSP/Taqadum will assist provincial governments in forming and training SDIP implementation committees in the seven targeted directorates to implement the short-term improvement solutions.

An implemented solution will be counted if it meets the first threshold and one of the rest three:

- It is stated within the baseline approved SDIP developed during last phase of GSP (Mod 10).
- An official letter from the related directorate stating that the solution is implemented based on the approved SDIP
- An internal admin order from GO mentioning that the solution is implemented based on the approved SDIP
- An instruction letter from related ministry (MMPW, MOE or MOH) telling that the solution is implemented based on the approved SDIP

Variance Analysis: Positive variance is due to the fact that GSP/ Taqadum had the seven targeted provinces expedite implementation of solutions that do not need extra funding or infrastructure to make a quick impact on delivering local services such as utilities and health care.

37 service delivery improvement plans (SDIPs) were developed in the seven originally targeted provinces addressing service delivery in water, sewer, municipality, primary health care and primary schools sectors. Each plan is unique to their respective province and sector. A total of 638 short-term improvement solutions were recommended: 124 (health), 119 (education) and 395 (municipality).
Additionally, 575 long-term improvement actions were listed: 115 (health), 113 (education) and 347 (municipality). Most of the short-term improvements can be addressed with current, but better managed resources.

- 211 out of total 638 short-term solutions have been implemented thru end of Sep 2015.
- Eight (8) long-term were implemented in Najaf. They are not counted though.

LOP is 70% of the total number of 638 short-term solutions, i.e. 446 to be achieved in FY2016.

Indicator #17: Number of provinces implementing a systematized process for monitoring service delivery

Description: Systematized process for monitoring refers to a mechanism for work methodology to ESDO working groups/ Service Delivery Committees (SDC) to monitor and improve the quality of services provided to citizens by service departments that operate in the provinces through the use of applied, successful and proven mechanism in many countries around the world.
The service delivery is of the selected sector(s) of municipality, water, sewer, primary health care, and primary school.

A province is counted if it meets the following three thresholds:
1. Site visit report issued by the related directorate including the recommendations
2. SOP for monitoring service delivery is developed
3. Official order issued by GO addressed to target directorates to follow the approved SOP for monitoring the service delivery

Variance Analysis: not applicable for FY2015.

LOP target is 9 provinces to be met in FY2016.

EVALUATION OF MAJOR PROGRAM AREAS

Presently, Provincial Governorates in Iraq do not directly deliver services to citizens. That responsibility is the domain of Iraq's centralized ministries. However, with the passage of the Second Amendment to Law 21, of 2008, the administrative authority to provide services to citizens, currently held by eight ministries, will be transferred to the Governorates. With the advent of administrative decentralization, Governorates are primed to accept the authority and embrace the responsibility of improving public services for citizens.

In the last quarter of FY 2014 and the whole FY2015, GSP/Taqadum provided customized training and technical assistance to governmental individuals from seven, then fifteen targeted Governorates including directorate officials on their roles and responsibilities under Law 21 and its Second Amendment and in process to reach an agreement between central and provincial governments on which functions to be transferred immediately, after 6 months, and longer periods pending on capacity needs and other legal restrictions for the three targeted ministries of Health, Education and MMPW.

In the Second Amendment to Law 21, Article 45 transfers service delivery authority from Ministries to Governorate administration. Article 45 also expands the Higher Coordination Commission for Provinces (HCCP). Besides the Ministry of State for Governorates Affairs (MoSGA) and Governors, the expanded HCCP now includes the Ministry of Planning, Provincial Council Chairs, and the eight ministers affected by administrative decentralization. The HCCP controls and approves the transfer of authorities.

In the targeted Governorates and Ministries, Interventions of GSP/Taqadum were:

(1)   Task Force and Sectoral Committees Formation and Capacity Building
(2)   "as-is" Assessment and Recommendations
(3)   Development of Intergovernmental Coordination Implementation (ICI) and Service Delivery Improvements (SDI) Plans
(4)   Amendments to deconflicting laws with decentralization drafting.
(5)   Financial Affairs Departments and Local Revenue Units establishment
(6)   Citizen-centered services/ functions process mapping
(7)   Short and long term service delivery improvement solutions implementation

In the narrative that follows, each program element is examined and evaluated based on the criteria related to improvements in structure, systems, and skills as described below:

(1) *Structure* responds to the question as to whether organizational structures in local government are augmented as a result of the specific GSP/ Taqadum intervention.

(2) *Systems* respond to the question as to whether local government processes have improved or are improving as a result of the specific GSP/ Taqadum intervention.

(3) *Skills* respond to the question as to whether organizational skills in local government have increased as a result of the specific GSP/ Taqadum intervention.

Colored arrows denote the evaluation of each criterion: a green arrow indicates that the criterion is responding positively to GSP/ Taqadum interventions and trending upward while an orange arrow indicates that the intervention is on-going and still working on by provincial governments following the strategy set by GSP/ Taqadum and counterparts. In some instances, the criterion is not applicable and is denoted as N/A. The Not Applicable label is also used when the program element was consolidated into another program element or deleted completely in accordance with modifications made to the GSP/ Taqadum work plan.

The evaluation presented here is based on internal reporting, program element insights and discussions among GSP / Taqadum staff over the course of the program year.

C1. ICIPs Development in Eight (8) Newly Targeted Governorates

Accomplishments	• 7 Provinces (Babil, Baghdad, Diwaniyah, Diyala, Kirkuk, Najaf and Wasit) accomplished ICIPs as planned. • 8 Implementation Letters of Agreement (ILAs) were signed in the eight newly targeted provinces • 2 Provinces (Muthanna and Ninawa) have completed, earlier than expected, the ICI plans including the three targeted ministries of Health, Education, and Municipalities; then, submitted to HCCP

Background to Program Element

To expedite development of ICIP in the five new southern targeted provinces plus the three ISIL-controlled provinces, GSP/Taqadum has used a mobile team to start working with officials in each province on the following fast-track phases that were used with the current seven provinces. A mobile team from national technical staff and from the south central region will operate in Karbala, Muthanna, Dhi Qar, Maysan, and Basrah developing the capacity of the embedded staff in these provinces as well. Besides, GSP/Taqadum central region has done the same in the three ISIL-controlled provinces Anbar, Ninawa and Salah Ad Din for the development of ICIPs.

Evaluation of Structure, Systems, and Skills

Structure (augments organizational structure):

By default, Decentralization Mapping Analysis Tool (DMAT) is the core of ICIP since it is a process GSP/ Taqadum created to identify, analyze, and help determine transferable ministerial functions. After completion of the seven initially targeted provinces, Muthanna and Ninawa have completed, earlier than expected, the ICI plans including the three targeted ministries of Health, Education, and Municipalities; then, submitted to HCCP. Regarding these ICI plans, GSP/Taqadum has planned to achieve the additional five (5) targeted southern provinces (Basrah, Dhi Qar, Karbala, Maysan, and Muthanna) and if possible the other three ISIL-controlled (Anbar, Ninawa and Salah Ad Din) during FY2016. GSP/ Taqadum has completed Ninawa and Muthanna ICIPs during this fiscal year and expected to accomplish the rest in the first quarter of FY2016.

On Aug 13, 2015, Muthanna GO sent a letter of adopting ICIP to MOSGA, Secretary of HCCP.

On July 14, 2015, Ninawa GO sent a letter of adopting ICIP to HCCP.

System (improved processes):

Developing the DMAT itself is a systematic and scientific methodology on how to identify, analyze, and determine transferable ministerial functions based on certain criteria to transfer these functions either immediately, after six months, a year or retain at the ministerial level. This resulted in making the local governments replicate this system with other non-targeted ministries by GSP/ Taqadum.

Skills (increased level of counterpart capability):

In general, Task Forces' and Sectoral Committees' members have acquired skills of collecting required data (functions and their ruling laws and regulations), analyzing the data, and then applying the criteria to categorize these functions to transfer either immediately, after six months, a year or retain at the ministerial level. This is evidenced by the accomplishment of developing ICIPs of Muthanna and Ninawa earlier than planned. In addition, the original seven targeted provinces are replicating the DMAT process on non-targeted ministries.

Summary Evaluation

The initial target (before Mod # 11) was 21 as seven provinces developing ICIPs for each of the three targeted ministries and sending them to HCCP. This was done during third quarter of FY2015. The target increased in Mod # 11 with 24 after targeting the rest eight provinces to accomplish in FY2016. GSP/ Taqadum has managed to have Muthanna and Ninawa complete the ICI plans including the three targeted ministries of Health, Education, and Municipalities; then, submitted to HCCP.

Major achievements: Task Force (TF) and Sectoral Subcommittees (SCs) Formation and Capacity Building (Newly-targeted Provinces):

	Anbar			Ninawa			Salah ad Din			Kabala			Maysan			Muthanna			Dhi Qar			Basrah		
TF Orientation	C			C			C			C			C			C			C			C		
TF Capacity Building	C			C			C			C			C			C			C			C		
Directorates	M	H	E	M	H	E	M	H	E	M	H	E	M	H	E	M	H	E	M	H	E	M	H	E
Sub-Comm. Formation	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Sub-Comm. Orientation	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C
Capacity Building	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C

C: Completed   IP: In Progress   M: Municipality   H: Health   E: Education

C2. ICIP Consensus Building

Accomplishments	• 10 governorates drafted unanimously amendments to 35 conflicting laws with decentralization (including 131 articles) • Reaching a consensus between MMPW and all local governments on which functions to be devolved to the local level and which retained central

Background to Program Element

GSP/Taqadum has coordinated and facilitated meetings between committees of the three targeted ministries and provincial task forces. GSP/Taqadum provided technical assistance on each of the tasks listed below.

Based on the detailed policy, technical, financial, legal, administration, and organizational capacity analyses, 103 functions were considered central functions (25 in health, 40 in education, and 38 in municipality) and 291 functions can be transferred gradually to the provincial level (32 in health, 41 in education, and 218 in municipality). Of the 291 functions that can be transferred to the provincial level, 78 percent can be transferred immediately while 22 percent within a period of a year after resolving conflicting laws and regulations. However, most of the 22 percent could also be transferred immediately if they were delegated provisionally until laws and regulations are amended. The project

will assist in the actual transfer and performance at local level all the 195 functions (about 70 percent of expected transferred functions) that can be transferred immediately or the numbers agreed upon by HCCP.

Evaluation of Structure, Systems, and Skills

Structure (augments organizational structure):

The passage of this amendment presents a unique window of opportunity for the U.S. Government to sustain and deepen its investment in local governance and provincial service delivery. At the same time, it represents an urgent challenge for USAID to maximize provincial capacity building over an admittedly short timeframe and when corruption and gaps in capacity still pervade provincial-level legal, financial, and human resource systems.

GSP/Taqadum developed a Law 21 "roadmap" in 2014, which was adopted at all levels of the Iraqi provincial government. This unprecedented consensus has anchored Project activities since the modification to GSP/Taqadum' s contract made its new mandate official: to help set the stage for administrative decentralization.

System (improved processes):

Leveraging technical expertise, decades of shared experience, and a deep commitment to support Iraq's decentralization process in ways that are best for the country and its citizens, our overall goal has been and remains, to prepare plans whereby Article 45 of Law 21, as amended, (also known as the Provincial Powers Act (2008) or "Transfer of Functions" Law), is implemented.

In doing this, GSP/Taqadum has been guided by the following six Main Steps:
1. Forming and training of provincial task forces and sectoral committees
2. Identifying and diagnosing the "as is" situations related to the functions, roles, relationships, laws, regulations, and instructions within the local directorates and their relationships with the three targeted ministries, the Governors' Offices (GOs), and provinces
3. Defining, analyzing, categorizing, and assigning ministerial functions to the appropriate level of governments based on comprehensive criteria and elements
4. Developing financial, administrative, and legal framework for the transfer of functions
5. Discussion and agreement on the functions mapped and those to be transferred between central and provincial governments
6. Building the capacity of the provincial directorates and Governor's Offices to receive and perform the functions transferred efficiently and effectively

Skills (increased level of counterpart capability):

The growing momentum as more and more ministries and provinces requested that GSP/Taqadum replicate its decentralization activities into their regions, we began expanding the decentralization mandate to other provinces beginning in the third and fourth quarters. Adding eight more provinces to our initial roster of seven (each of which had previously been guided through the project's Decentralization and Mapping Analysis Tool (DMAT) process that identified, analyzed, and determined transferable ministerial functions). The newly added provinces were paired with the original seven. This pairing – just one aspect of the project's comprehensive and unified Intergovernmental Coordination Improvement Plan (ICIP) aimed at replicating the project's results in these added provinces – fosters cross-province exchanges of ideas, knowledge, tools, methods, practices, and suggestions.

Summary Evaluation

After outlining the functional mapping and analysis approach and efforts to bring ministries and provinces together in order to build consensus regarding the transfer of functions from the central government to the local level, local governments has inaugurated governing their provinces.

The MMPW with provinces have agreed on all devolved and retained functions while MOH and MOE are still on process to reach the same point.

Perhaps the greatest success story of GSP/Taqadum decentralization efforts to date, has to do with the Ministry of Municipalities and Public Works (MMPW). The MMPW is by far Iraq's largest ministry, with each of its directorates seemingly large enough to be considered ministries in and of themselves. It is therefore responsible for delivering the largest amount of citizen services of all ministries. (Note: As part of Prime Minister Dr. Haider al Abadi's reforms put in place in early August, the Ministry of Municipalities and Public Works (MMPW) was merged with the Ministry of Construction and Housing (MOCH) to become the Ministry of Construction, Housing, and Public Municipalities (MOCHPM)).

C3. ICIP Implementation – Organizational Development in 12 Provinces

Accomplishments	• 12 provinces related staff was trained on process mapping the citizen-centered services processes. • Local governments' officials have mapped out 50 citizen-centered services and functions

Background to Program Element

GSP/Taqadum has provided technical assistance to facilitate a seamless transition of ministry functions to the provinces that are fully equipped with the capacity and knowledge to provide them, while retaining the current level of service delivery. As the targeted local directorates begin performing the functions transferred from targeted ministries.

GSP/Taqadum is providing hands-on "learning-by-doing" capacity building. For efficiency and effectiveness, common issues are addressed in regional or national hands-on workshops.

GSP/Taqadum also focused on process mapping of devolved functions by building the capacity of human resource departments in GOs and targeted directorates. Initially, the focus was on functions that involve services where citizen move toward (citizen-centered).

In a stage later on, The streamlining will include collectively re-examining key processes with stakeholders: all of those individuals who are involved with inputs and outputs of a specific process; recording and preparing a written diagram which illustrates the complete process, resources, timeline and externalities which impact the process; and adopting SOPs based on written descriptions of each step in the process. To avoid duplication and leverage resources, each directorate will be assigned specific functions, and then share the results of their process mapping and streamline efforts with other provinces. Citizen-centered functions will be given priority. The process map will be posted on the provincial government web to allow citizens to have access to information.

Evaluation of Structure, Systems, and Skills

Structure (augments organizational structure):

With the support of GSP/Taqadum's provincial Organizational Development advisor, these select officials returned to their provincial offices and began on-the-job training with targeted department staff, mapping out the gathered information regarding the steps needed to implement the services and functions requested by citizens within their sectors. To date, these officials have mapped out more than 50 citizen-centered services and functions, and are seeking to map out a total of 118 processes throughout the 12 provinces.

The following are among the benefits of mapping out these processes:

1. Mapping creates a visual rendition depicting the required steps of each service and/or function, as well as the process the citizen must follow to address their service need
2. Mapping the standards steps needed to achieve any service and/or function, helps to reduce corruption and fraud via the transparent process and clearly delineated steps
3. The establishing a streamlined set of steps to the process helps to reduce the effort and cost to the citizen

System (improved processes):

Participants reviewed the definitions and standards of the organizational system, processes, functions, and services and the relationship between all. Theoretical principles of process mapping technique and the standard shapes were explored, culminating in a facilitated exercise where participants worked in small groups (divided by province) and mapped out shared administrative functions. The result was each province mapped 12 joint administrative processes and presented these results to the entire group.

Skills (increased level of counterpart capability):

Laying the groundwork for the rest of the fourth quarter, on July 1- 9, GSP/Taqadum staff hosted a nine-day workshop for 22 project Organizational Development (OD) staff and nine provincial officials. Process Mapping and Streamlining expert, Mr. Osama Mahmood, explained in detail process mapping benefits and techniques. Trained on how to map processes to explore citizen-related decentralized functions/services for possible streamlining, participants were given: 1) an overview of the fundamentals of process-mapping and design, 2) standards used to collect information; and 3) an explanation of the advantages and mechanisms involved in the selection of functions and services for process mapping. Introduced to process streamlining techniques and how to use the process map technique to draw visual representations of a series of connected activities, i.e., a virtual map, for use in the actual implementation of citizen-focused decentralized functions and services, by the workshop's end, participants engaged in a series of hands-on exercises and quizzes.
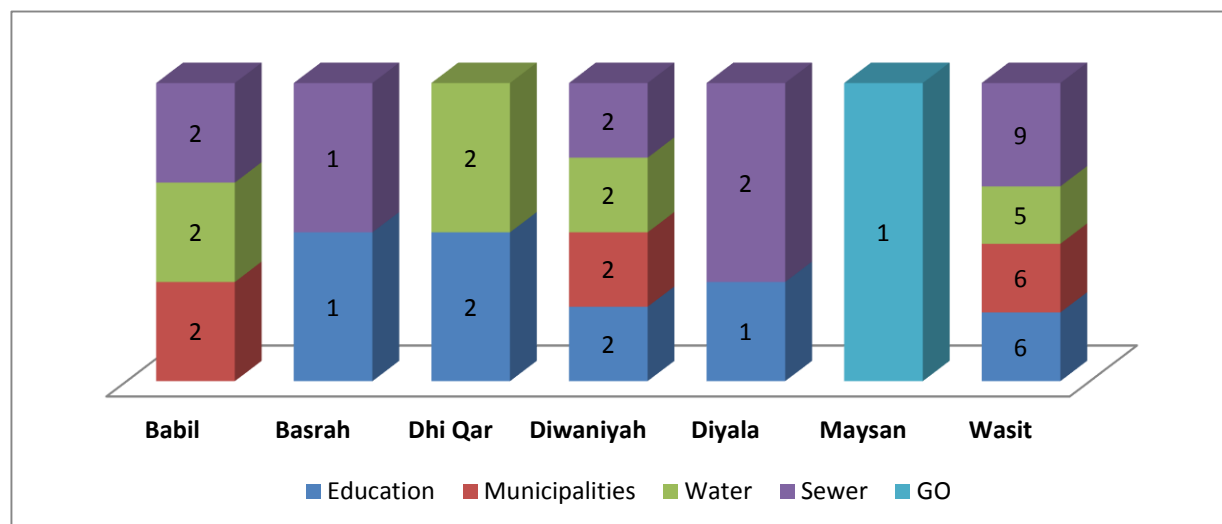
Applying the knowledge and skills learned and using their computers, they drew process maps for real-life functions and services requested by citizens. By the workshop's end, all had gained deep insight, not only into how process mapping works, but also how it can be applied to real life situations and support the streamlining of processes in their respective organizations.

Summary Evaluation

GSP/ Taqadum has managed to train PC, GO and Directorates of three ministries (Health, Education and MMPW) on process mapping the functions that involve services where citizens move toward (citizen-centered). GSP/ Taqadum has managed to have provinces process map 50 functions through end of September 2015 and many more are underway. Yet, these As-is process maps will be streamlined and posted over the course of the project.

Achieved & Approved Process Maps by Province per Sector

Province	Education	Municipalities	Water	Sewer	GO	Total
Babil		2	2	2		6
Basrah	1			1		2
Dhi Qar	2		2			4
Diwaniyah	2	2	2	2		8
Diyala	1			2		3
Maysan					1	1
Wasit	6	6	5	9		26
Grand Total	**12**	**10**	**11**	**16**	**1**	**50**

C4. ICIP Implementation – Financial Framework

Accomplishments	• 11 GOs have established two units each; one for budgeting and the other is for accountancy. These two units are counted as one since it replaces Financial Affairs Directorate (FAD). • 4 GOs have established Local Revenue Units (LRU). This unit is responsible for local revenue generation and collection.

Background to Program Element

In terms of financial framework, GSP/ Taqadum has been assisting the governments in establishing Revenue Generation System. The revenue generation activities include:

- Development of fiscal policy;
- Forming revenue generation committees/ units;
- Conducting economic based line studies; and
- Developing laws and processes for collecting, utilizing, managing, evaluating and auditing the system.

GSP/Taqadum trains provincial governments on the guiding principles, structures and collection mechanisms for user fees and other revenue collection; including taking steps to create an enabling legal environment to facilitate direct payments, and conducting public surveys to determine constituents' willingness to pay for clearly identified services.

Also, GSP/ Taqadum is developing Capital Budgeting Process to meet community needs. This process is institutionalized through Provincial Council (PC) mandate allowing for citizen input into the decision-making process and holding the provincial government accountable for operating and capital budgets.

Going forward, GSP/Taqadum will assist the working groups in organizing their work and developing standard operating procedures, taking into consideration citizen feedback to aid the PPDCs in preparing annual investment budgets. To sustain this process, SOPs will be adopted and followed by PCs during the preparation and approval processes of capital budgeting plans.

GSP/Taqadum has assisted provinces in setting up the Provincial Financial Affairs Department (FAD) through establishing two units: one for budgeting and the other for accountancy, which will be technically accountable to the MOF (compliance with rules and regulations, reporting, and audit) and administratively to the GO. At the same time, the Treasury Division of the proposed department provides the same functions as before to the other line ministries that are not subject to decentralization. GSP/ Taqadum is going also to develop SOPs for FADs, including daily automation of the functions. The establishment and functioning of FAD will enhance financial reporting, monitoring and auditing processes, all of which will ultimately provide better local financial management and accountability systems.

Evaluation of Structure, Systems, and Skills

Structure (augments organizational structure):

GSP/Taqadum developed a working paper on local financial management for provincial governments that addressed a proposed organizational structure and responsibilities of a provincial Financial Affairs Department (FAD) in each of the 12 targeted provinces; financing procedures between such a department and provincial directorates; provincial budgeting preparation; and auditing and internal controls.

GSP/Taqadum staff reviewed the funding process between financial department and the proposed provincial Financial Affairs Department (FAD) in preparation for the implementation of decentralization is implemented.

Practical information and steps to achieve effective local revenue generation were also provided, including revenue generation procedures; methods of communicating messages to citizens; human resource management (performance management); equipment and computerization logistics; and revenue related issues regarding legislation, enforcement, classification, reporting, analysis, and forecasting. Highly

interactive, participants made recommendations on assigning revenue, creating enabling legislation, payment procedures, third party revenue collection options, evaluating revenue policies, and how to provide clear information to citizens about sub-national revenue.

System (improved processes):

GSP/Taqadum financial specialists began this quarter by assisting Governor's Offices (GO) financial advisors in the gathering of economic activity information within the provincial private sector to be used to create a database for generating local revenues. GSP/Taqadum also began providing the GO with technical assistance on how to gather information on current revenues raised by various local government entities in order to avoid duplication in the collection of taxes, fees, and other charges.

The steps towards building and ultimately creating FADs within the Governor's Offices of 12 provinces were perhaps the biggest success in GSP/Taqadum's financial work this program year. The establishment of Local Revenue Units (LRUs) in four provinces (Baghdad, Dhi Qar, Diyala and Kirkuk) came in second. The Integrated Investment Budget process was designed as step-by-step process provincial authorities could follow to ensure smooth and easy budget implementation. The first step GSP/Taqadum took in assisting the implementation of this process in the provinces was to develop a Provincial Fiscal Policy. Project staff provided technical assistance to the Provincial Councils on how to develop a fiscal policy, including: 1) principles; 2) the relation between fiscal policy; and 3) provincial investment budget formulation. As a next step, GSP/Taqadum focused on the financial aspect second and provided on-the-job training to financial staff of targeted directorates on how to calculated potential revenues from different valuable resources. GSP/Taqadum then introduced a mathematical method to calculate revenues and provided on the job training to financial staff to implement this method.

The chart (below) depicts the steps that need to be taken in order to implement fiscal authority at the provincial level.
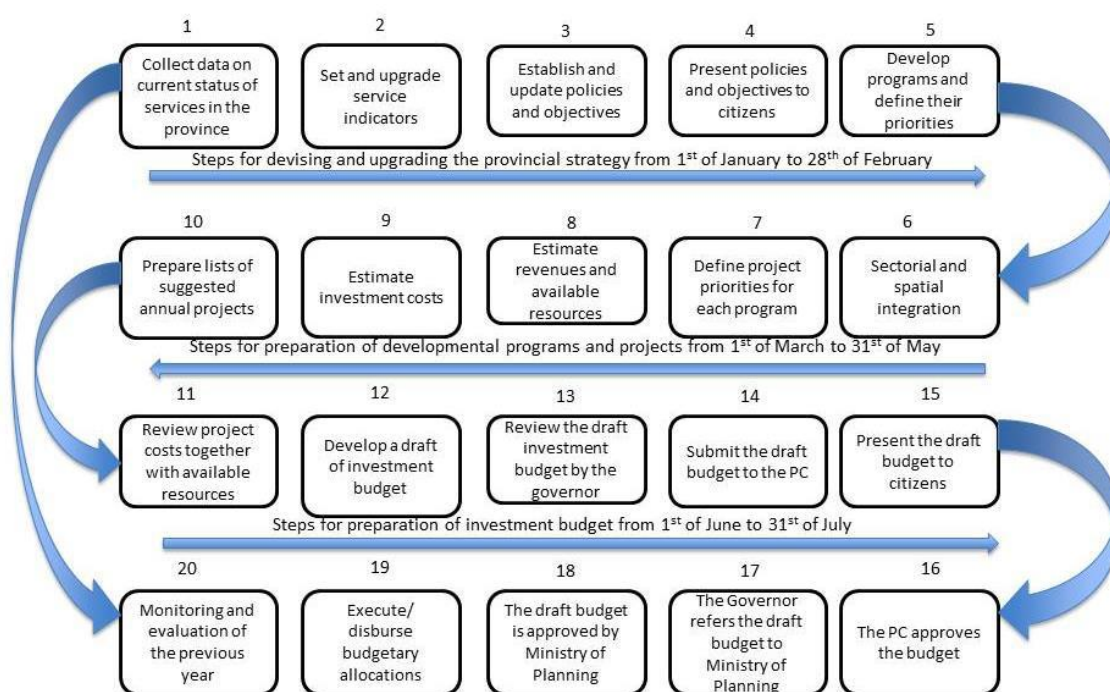
Skills (increased level of counterpart capability):

GSP/ Taqadum trained official staff by explaining revenue generation, the difference between taxes and fines, and the establishment of a provincial revenue generation system to the Assistant Governors of Financial Affairs; GO Accounting and Internal Audit section managers; the Chair of the PC Trade, Industry and Finance Committee; Chairs of PC Finance, Economic and Strategic Planning Committees, PC members and other GO and finance officials. With GSP/ Taqadum's assistance, all those reviewed their current funding procedures versus those proposed after the implementation of Article 45 (when funding is expected to come through the FADs) in Babil in addition to meeting repeatedly with representatives from Basrah, Wasit, Kirkuk, Diyala, Diwaniyah, Baghdad, Ninawa, Karbala, Najaf, Dhi Qar, and Muthanna.

Working cooperatively with all, GSP/ Taqadum went through the following steps: 1) reviewed the funding procedures (current and post Article 45 implementation mentioned above); 2) outlined proposed financial procedures to take effect after the transfer of functions; 3) reviewed the GSP/Taqadum-developed template used to collect information on economic activities at the local level; 4) introduced and outlined the concept, proposed structure, and responsibilities of FADs; 5) in provinces where economic activity information had already been collected, staff, working in cooperation with provincial officials, analyzed and classified these activities to determine what, if any, fees and duties could be imposed on given services; 6) determined and collected information on different types of commercial and industrial activities; 7) completed financial tables as required by the Ministry of Finance; and 8) reviewed the concept and legal framework of revenues generation, the different types of revenues, and the role of the GO in the enactment of local revenue generation.

<u>Summary Evaluation</u>

Although the target would be achieved in FY2016, GSP/ Taqadum has managed to establish 15 units during this quarter.

Eleven (11) GOs have established two units each; one for budgeting and the other is for accountancy. These two units are counted as one since it replaces Financial Affairs Directorate (FAD) because establishing a directorate needs COR approval and that would take too long to achieve. These two units (FAD Constituents) are responsible for the financing of all spending units in the province; tracking investment and operations budgets execution; performing auditing and financial control; and last but not least, reporting to the Finance Ministry.

In addition, four (4) GOs have established Local Revenue Units (LRU). This unit is responsible for local revenue generation and collection.

Establishment of FADs and LRUs

#	FAD established	Local Revenues Unit established
1	Babil	
2	Baghdad	Baghdad
3	Dhi-Qar	Dhi Qar
4	Diwaniyah	
5	Diyala	Diyala
6	Kirkuk	Kirkuk
7	Maysan	
8	Muthanna	
9	Najaf	
10	Ninawa	
11	Wasit	
Grand Total	**11 FAD + 4 LRU = 15 Units**	

C5. ICIP Implementation – Enabling Legal Framework

Accomplishments	• 12 Provinces established legal workgroups • 35 Laws including 131 articles amendments were drafted to meet decentralization requirements • 10 Provinces' PCs and/ or GOs sent official letters including these drafted amendments to COM and/ or COR for review and legislation

Background to Program Element

Within this context, GSP/Taqadum has planned to

- Form PC legal working group/unit/council or committees
- Train them on researching, prioritizing, analyzing and advising; and drafting laws, rules, and regulations
- Train them on following-up on implementation of legislative actions.
- Assist provincial governments in prioritizing and passing local laws to facilitate decentralization process. This would be done through two parallel approaches:
  1. The first approach includes drafting and passing local legislation – about 30 percent of the total 35 conflicting laws.
  2. The second approach is to assist the provincial governments in drafting and submitting them to COMs for national adoption. Both approaches will include institutional capacity building of the legal unit/ council/ or committee.

In addition, GSP/Taqadum assists the GOs and directorates in defining their roles, responsibilities, authorities, and working relations through on- the-job training and institutionalizing it through written policy.

Ultimately, GSP/Taqadum will assist national government and provincial government with both executive and legislative branches to develop and institutionalize through local legislation the monitoring roles, responsibilities and accountability framework among them.

Evaluation of Structure, Systems, and Skills

Structure (augments organizational structure):

GSP/Taqadum focused in the beginning on working with Provincial Council (PC) legal committees to present the concept of forming legal units/ workgroups within each PC in targeted 12 provinces to research, analyze and draft laws and regulations, and track the implementation of legislation. An early April success saw Babil review, examine and propose amendments to federal legislations and regulations in conflict with administrative decentralization. Following that, key PC officials and legal committees in Baghdad, Diyala, Diwaniyah and Kirkuk have done the same. This set in motion action allowing each to establish its own legal units, which were approved by mid-April.

GSP/Taqadum legal staff facilitated a meeting between members of the COR and Baghdad's Local Government. GSP/ Taqadum' s legal staff: 1) outlined laws and regulations that are currently in conflict with decentralization as per Article 45 of Law 21, as amended; and 2) detailed COR's role in ensuring new legislation comply with administrative decentralization. COR Legal Advisor, Mr. Sabah Al-Karbouli, promised to submit a report to COR Speaker, Dr. Saleem Al-Jubouri that would include the following structural recommendations:

- Establish an ad hoc COR committee to review and track conflicting laws
- Bring together, before the August 5 decentralization deadline, representatives from the federal and provincial governments and COR relevant committees to work to accelerate the implementation of Article 45
- Activate COR's role in monitoring the High Commission for the Coordination of Provinces regarding the implementation of Article 45
- Present the list of conflicting laws that was prepared with GSP/Taqadum assistance the COR Speaker and Committee Chairs

System (improved processes):

By June, project legal staff had assisted targeted provinces to develop studies and hold workshops where participants analyzed Civil Service Law No 24 of 1960, as amended, and came to understand its level of consistency with administrative decentralization. Participants discussed whether the recommendations made at GSP/Taqadum' s Legal Workshop have been considered by the COR during the deliberations that were going on at that time. Legal officials of targeted directorates came together to discuss the draft Civil Law in detail. They concluded that it is consistent with decentralization and once issued, will facilitate the implementation of Law 21, as amended.

Via the guidance received during their participation in many GSP/Taqadum meetings, events, and workshops (some of which are highlighted below), 10 provinces – the seven initially targeted ones, plus Dhi Qar, Basrah, and Muthanna, had submitted a unified draft of their recommendations to the COR and COM. The recommendations addressed the 35 pieces of legislation and regulations that were identified to be in conflict with, or blocking implementation of certain aspects of decentralization and the transfer functions according to the mandate of Article 45 of Law 21, as amended.

Skills (increased level of counterpart capability):

GSP/Taqadum legal staff has been providing on-job-training to Legal Working Groups (LWG) in the seven initially targeted provinces – Babil, Baghdad, Diwaniyah Diyala, Kirkuk, Najaf and Wasit, on how to review and analyze legislation and regulations in conflict with decentralization; propose solutions that are consistent with Article 45, Law 21, as amended; and make relevant recommendations to the Council of the Representatives (COR) and Council of Ministers (COM). GSP/Taqadum has also been holding training workshops for Governor's Offices (GOs), Provincial Councils (PCs) and Directorates to explain the concept of accountability as an important element of decentralization.

As LWGs became more informed and knowledgeable regarding their role in the decentralization process, they began to flex their muscles and take action. Baghdad's PC sent an official letter to the COR requesting a meeting with heads of its committees to discuss conflicting legislation.
Governmental LGWs' members discussed the 35 conflicting ministerial and federal laws legislation identified, in cooperation with project legal staff, as inconsistent with administrative decentralization. It was agreed that many of the laws need revision and the COR recommended that the PC exercise its legislative role and issue local laws supportive of Law 21, as amended. Participants also stressed the importance of aligning future legislation with decentralization and agreed to implement a communication mechanism between local government and the COR.

While delivering a presentation on decentralization and building trust between people and government, Mr. Berkuti highlighted, "Decentralization is a means not an end, and aims to improve the delivery of services to Iraq's citizens." He then outlined the various types of decentralization; the legal foundation that supports decentralization in Iraq.
Expressing support for Mr. Berkuti's presentation and the work of GSP/Taqadum, Mr. Al-Mifraji said, "Shifting from a central to decentralized system is the core solution to Iraq's problems.". He also met with Mr. Berkuti briefly to be updated on the status of the transfer from the ministries.

GSP/Taqadum **COP, Mr. Cameron Berkuti (center), discussing future collaborative efforts with Dr. Al-Mufti (l) and Mr. Al-Mifraiji (r)**

Summary Evaluation

GSP has succeeded to build consensus among 10 governorates to draft amendments to 35 conflicting laws with decentralization (including 131 articles) and have PCs and/ or GOs send official letters to COM and/ or COR during last quarter of FY2015, which is 100% of deconflicting laws even though the target (only 30%) was planned to achieve in FY2016.

Draft Amendments of Laws and Articles

	Laws Governing Ministries	MOE	MOH	Municipality & Municipalities	Water & Sewage	Urban Planning	Total
# of Laws	15	7	6	3	2	2	**35**
# of Articles	34	40	28	7	20	2	**131**

GSP has succeeded to build consensus among 10 governorates to draft amendments to 35 conflicting laws with decentralization (including 131 articles) and have PCs and/ or GOs send official letters to COM and/ or COR during last quarter of FY2015, which is 100% of deconflicting laws even though the target (only 30%) was planned to achieve in FY2016.

Letters of Amended Conflicting Laws Drafts

Province	PC Letter	GO Letter
Babil	PC Letter to COR	
Baghdad	PC Letter to COR	
Basrah	PC Letter to COR	
Dhi Qar	PC Letter to COR	
Diwaniyah	PC Letter to COR	
Diyala	PC Letter to COR	GO Letter to COM
Kirkuk		GO Letter to COM
Muthanna		GO Letter to COR
Najaf		GO Letter to COM
Wasit	PC Letter to COR	GO Letter to COR

S1. SDIP Implementation – Seven (7) Provinces

Accomplishments	• 37 SDIPs were developed and adopted for the five sectors of water, sewer, municipality, health and education of each of the seven target provinces (Baghdad has developed exceptionally three SDIPs for three Educational Directorates) • 7 SDIP Implementation Committees (SDIPICs) were formed to focus on the development of action plans aimed at implementing the short-term solutions cited in the SDIPs • 211 short-term solutions have been implemented thru end of Sep 2015. • 8 long-term were implemented in Najaf.

Background to Program Element

Service delivery improvement plans were developed in the targeted 7 provinces addressing service delivery in water, sewer, municipality, primary health care and primary schools sectors. Each plan is unique to their

respective province and sector, and the provincial directorates have submitted their SDIPs to their respective governors and councils that adopted them. A total of 638 short-term improvement actions were recommended: 124 (health), 119 (education) and 395 (municipality). Additionally, 575 long-term improvement actions were listed: 115 (health), 113 (education) and 347 (municipality).

<u>Evaluation of Structure, Systems, and Skills</u>

Structure (augments organizational structure):

The formation of SDIP Implementation Committees (SDIPICs) in the seven original targeted provinces has contributed a lot in the development of action plans aimed at implementing the short-term solutions cited in the SDIPs. All provincial SDIPICs had completed their respective action plans and had begun to implement their short-term solutions. Efforts were exerted to develop a higher level of intergovernmental cooperation in implementing the SDIPs in these seven provinces.

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System (improved processes):

GSP/Taqadum continued the level of outreach meetings with Deputy Governors and Directors, Governor's Advisors, Director Generals, managers, directors, planning officers, representatives, and others officials from the Council of Representatives (COR) Services and Construction Committee; Governor's Offices; Provincial Councils and related committees (including Essential Service Delivery Oversight (ESDO) units); Ministries of Health, Education, and Municipalities and Public Works; and from the Directorates of Sewer, Municipality, Municipalities, Water, Health, Education, and Follow up and Planning from the provinces of Babil, Baghdad, Diwaniyah, Diyala, Kirkuk, Najaf, and Wasit.

During these meetings, these seven provinces, working in cooperation with GSP/Taqadum, reviewed and discussed the long- and short-term solutions they identified in their SDIP work. In addition, many of these meetings saw GSP/Taqadum staff working to bridge intergovernmental gaps in the seven provinces (Babil, Baghdad, Diwaniyah, Diyala, Kirkuk, Najaf, and Wasit) between local governments and the Governor's Offices in order to facilitate a more cooperative effort regarding implementing the SDIPs within these provinces.

Skills (increased level of counterpart capability):
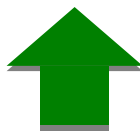
The skills developed by Taqadum for counterparts included: the implementation of short-term solutions saw trash containers purchased and distributed in underserved neighborhoods, sidewalks cleaned, streets paved, flowers planted on roadsides and in squares in Diwaniyah as part of citizen-aimed clean environment, community beautification campaigns. Citizen complaint response rates rose in Kirkuk from 91% to 97% after qualified staff was placed in the Citizen Service Desk there. In Najaf, the sewage disposal indicator rose; broken and cracked water lines were repaired; and courses were provided to Education Directorate staff in newly outfitted training centers. In Baghdad's Al-Karkh 3 Education Directorate, repairs were made and murals were painted on the walls, thus making for a much more inviting educational

atmosphere. In Baghdad's Rusafa Second Education Directorate higher education degree holders conducted trainings to build the capacity of primary and secondary teaching staff. The establishment of caravan schools in surrounding Baghdad suburbs helped to meet the educational needs of children and ease the plight of teachers who had been working two and three shifts to accommodate the influx of IDP families.

Summary Evaluation

GSP/Taqadum has managed to have the targeted governments implement the short-term solutions approved by the local governments and directorates of the seven provinces: Wasit, Najaf, Kirkuk, Diyala, Diwaniyah, Baghdad and Babil. These solutions are recommended to fill the gaps of services indicators that were identified in the Service Delivery Improvement Plan of each province. The target sectors (services) are Health, Education, Water, Sewage and Municipality.

Since May, 2015, GSP/Taqadum has assisted the seven targeted governmental directorates in implementing 211short-term solutions, representing 33 percent of the total (836) identified short-term SDIP solutions in addition to eight (8) long-term solutions as shown in the table and chart below:

Number of Implemented ST Solutions

Province	Babil	Baghdad	Diwaniyah	Diyala	Kirkuk	Najaf	Wasit	Total
Before June 2015	8	3	6	6	2	3	6	**34**
June 2015	6	4	8	3	8	8	7	**44**
July 2015	1	4		3	1	11	4	**24**
August 2015	15	11	3	4	6	4	9	**52**
September 2015	6	16	6	7	3	8	11	**57**
Total	**36**	**38**	**23**	**23**	**20**	**34**	**37**	**211**
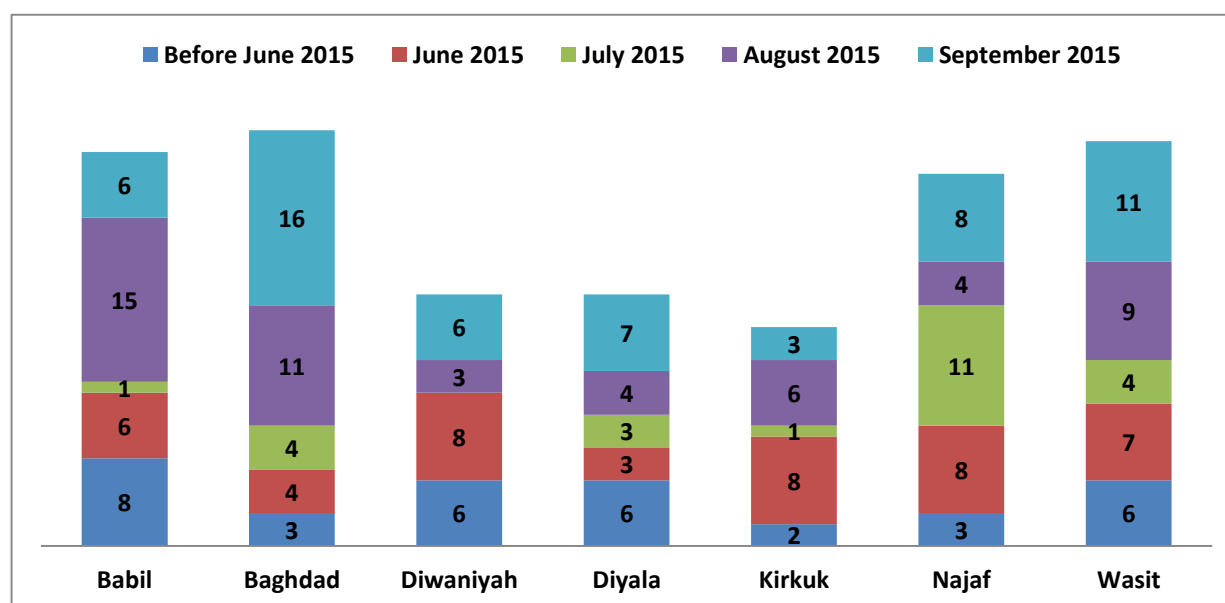
Diyala's Provincial Council (PC) announced that a comprehensive Service Delivery Improvement (SDI) plan would be implemented in all cities in coordination with local councils and administrative units and with technical support from USAID-GSP/Taqadum. According to Diyala PC member and secretary, Mr. Khudar Muslim, the SDI plan is based on a sound scientific approach to address chronic problems in service sectors and will include the Education, Health, Municipality, Water, and Sewer sectors. Diyala is suffering a setback in services due to deterioration of security situation, delay in implementation of projects, and corruption.

Diyala PC

Major achievements: SDIP Implementation Status in the originally seven targeted provinces

	Baghdad	Wasit	Babil	Najaf	Diwaniyah	Diyala	Kirkuk
SDIP implementation committee established	C	C	C	C	C	C	C
Service departments trained	C	C	C	C	C	C	C
Short-term solutions tracked	C	C	C	C	C	C	C
Action plan developed	C	C	C	C	C	C	C
Number of short-term solutions implemented	38	37	36	34	23	23	20
Long-term solutions tracked	IP	IP	IP	IP	IP	IP	IP
Action plan developed	IP	IP	IP	IP	IP	IP	IP
Number of long-term solution implemented				8			
Improvement in services measured							
TF and PPDC updated:					IP		

C: Activity has been completed   IP: Activity is in progress

S2. SDIPs Development

Accomplishments	5 Service Delivery Implementation Plan Development Committees (SDIPDCs) established in the five provinces 5 Liaison staff member named by each directorate of water, sewage, municipality, education and health in the five provinces 3 Management crisis cells were created in the three ISIL-controlled provinces and their members trained on post conflict measures

Background to Program Element:

GSP/Taqadum train municipality, water, sewer, primary education and primary health care service delivery committees and with the assistance of Governor-assigned coordinators for each sector, begin the development of the SDIPs

The training and SDIPs development will include:

- Service delivery planning, and improvement and development of an action plan for each sector
- Establishment of standards and indicators for each sector: municipality, water, sewer, primary health care and primary education
- Collection and verification of information on current services
- Analysis of gaps in services and development of related prioritized improvement action plans
- Development of short- and long-term service delivery improvement plans for each sector

Due to project resource constraints, the staff resources in the newly targeted 5 provinces have paired up with staff in one of the adjacent initially targeted provinces. The newly targeted provinces have been supported with a mobile team from the project's national staff on an "as needed" basis.

SDIP development in these provinces is administered at two levels:

1. Train the sectoral committees (municipality, water, sewer, health and education) on the entire SDIP development process, and provide examples from other provinces.
2. Request the Governor in each of the new provinces dedicate one employee from each sector to work fulltime with GSP/Taqadum.

Later on during life of project, the same will be replicated in the three ISIL-Controlled provinces on the development of SDIPs. Additionally, GSP/ Taqadum trains these three provinces on post-conflict essential public service restoration. GSP/Taqadum will train stakeholders on overall post-conflict disaster management (steps, processes, assessments, prioritizing, etc.); determine the level of hazard vulnerability assessments; create a "laundry list" of critical infrastructure sites in each province; and select the disaster management team. GSP/Taqadum will also create a training program and train the team on field assessments on health, education, and municipality services.

GSP/Taqadum will finally assist to develop Service Delivery Strategic Plans for targeted directorates. GSP/Taqadum will select a sector(s) from one of leading and committed participating provinces and expand their SDIPs into service delivery strategic plans including mission, vision, and functions to provide effective and efficient services. The selected sector(s) will include municipality, water, sewer, primary health care, and primary school.

Evaluation of Structure, Systems, and Skills

Structure (augments organizational structure):

In order to strengthen the structure in terms of service delivery, GSP/ Taqadum has managed to form five (5) Service Delivery Implementation Plan Development Committees (SDIPDCs) established in the five southern provinces of Basrah, Dhi Qar, Karbala, Maysan and Muthanna. During the fourth quarter of FY2015, GSP/Taqadum's began efforts to replicate its service delivery process (previously completed in the beginning of FY2015 with the seven initially targeted provinces that after finishing the identification process and are well on their way implementing solutions) in the newly added five southern and south-central provinces of Basrah, Dhi Qar, Maysan, Muthanna, and Karbala.

For the three ISIL-controlled provinces, each working group completed an action plans (including cost estimates) for each of the three phases outlined, and all participants agreed to create a local Emergency Center (chaired by the Deputy Governor and membership of provincial service directorate managers) to compliment and work in conjunction with Iraq's national Emergency Control Center. Mid-management crisis cells were created in the three provinces and their members trained on post conflict measures.

System (improved processes):

GSP/ Taqadum conducted workshops for the three ISIL-Controlled governorates officials on the subject of post conflict disaster management in September 2015. Local government participants of these workshops were 52 from Anbar, 34 from Salah Ad Din and 45 from Ninawa. The main objective is to build the capacity of these governorates to effectively respond to the urgent needs of their afflicted citizens after ISIS. Part of the output of these training sessions was coming up with a preliminary plan to assist the IDPs after ISIS. This preliminary plan will be reviewed and refined by an international expert to be ready for execution.

The plan was a four-stage strategy starting with Readiness, Immediate Response, Transition and ending with Stability & Sustainability stages. For instance, readiness stage put forward included the following steps:
1. Form a crisis cell consists of First Deputy Governor, Mayor, Director of the Police Department, Displacement and Migration Manager, Red Crescent and Representatives of Service Departments.
2. Prepare trained and qualified teams for assessment and evaluation.
3. Get security approvals.
4. Identify alternative sites.
5. Allocate financial resources.
6. Create programs for the unemployed.
7. Coordinate with the competent international organizations
8. Do a survey for the families that want to return to their original areas
9. Conduct awareness sessions on mines locations

Partners suggested to implement this strategic plan were Ministry of Housing and Reconstruction, International NGOs, Investment Commissions, Local Governments, Ministry of Education and Services Directorates.

Within Provincial Council (PC) and Ministry of Health and Environment officials, issues discussed included: 1) hazard and vulnerability community assessment; 2) development of a post-conflict service delivery action plan; 3) coordination and communication options; 4) the identification of provincial post-conflict service delivery assessment, planning and management; and 5) formation of an emergency cell in the province for postwar restoration of services.

During a workshop held September 12-18, preliminary post conflict action plans were created in all three provinces.

Skills (increased level of counterpart capability):

In cooperation with GSP/Taqadum, the five provinces began the SDIP process by identifying gaps in the delivery of services to citizens, via GSP/Taqadum's Gap Analysis Template (GAT). The GAT tool first collects service delivery indicator data. It then reviews the collected numbers to determine the gaps, if any, between a predetermined standard (a reference of what should be) and the actual numbers of services delivered to citizens. (Note: The GAT data, is also used to address the following issues: financial, legal, management, human resources (HR), infrastructure, equipment, capacity building, technical barriers, coordination, political affiliations, abuse of services Illegal taping of water lines), and operation and maintenance.)

Maysan was the first to come on board in support of these efforts, when, on July 2, Maysan Deputy Governor, Mr. Chasib Kadhum, after a meeting of members of the SDIP Development Committee and GSP/Taqadum where project staff presented the final draft of directorate indicators, Mr. Kadhum requested the Directorate of Health adopt service standards to identify indicators. On July 12, GSP/Taqadum's service delivery specialist met with Maysan Education Directorate managers of administration, human resources (HR), and Preparation, Training and Planning to identify service indicator gaps. On the same day, project staff met with Basrah Water, Municipality, and Education directorate managers to review the structure and processes of the SDIP Committee and the development of SDIP long- and short-term solutions. During the last quarter of FY2015, GSP/Taqadum had numerous meetings with representatives, officials, and staff in each of the five provinces and reviewed the following: 1) the GSP/Taqadum-developed GAT tool; 2) factors affecting service gaps; development of SDIPs and related action plans; 3) how to implement solutions; and 4) how to develop long- and short-term solutions. All information gleaned by GSP/ Taqadum's efforts with the seven initially targeted provinces were shared in the hope the newly targeted provinces would emulate those efforts.

In the coming fiscal year, GSP/Taqadum will train and work with targeted provincial directorates within the five added provinces on drafting Service Delivery Improvement Plans (SDIPs), thus enabling the provinces to start implementing short- and long-term service solutions.

For the three ISIL-controlled provinces, International Post-conflict and Disaster Management expert, Mr. Mustafa Osman, who presented a variety of concepts and challenges facing post-conflict reconstruction, as well as the project's role in post-war service delivery capacity building and disaster

management! Mr. Osman also discussed different types of disasters; indicators of state of emergencies; key elements of provincial re-construction policy; responses for facing disasters; challenges facing the issue of postwar recovery and restoration of basic services; and the roles and responsibilities of stakeholders.

Summary Evaluation

GSP/ Taqadum have replicated the methodology experienced with the seven originally targeted provinces in the newly targeted provinces. All information gleaned by GSP/ Taqadum's efforts with the seven initially targeted provinces were shared in the hope the newly targeted provinces would emulate those efforts.

Five (5) Service Delivery Implementation Plan Development Committees (SDIPDCs) were established in the five southern provinces. In addition, five (5) Liaison staff member named by each directorate of water, sewage, municipality, education and health in these five provinces

Three (3) Management crisis cells were created in the three ISIL-controlled provinces and their members trained on post conflict measures

Major achievement: Service delivery activities in five newly targeted provinces:

Municipality	Basrah	Karbala	Maysan	Muthanna	Dhi Qar
Service delivery committee (SDC) established	C	C	C	C	C
Liaison staff member named by Directorate	C	C	C	C	C
SDPS (Service Delivery Performance Standards) adopted	C	C	C	C	C
SDSP indicators submitted	C	C	C	C	C
SDC analyzed service gaps	C	C	C	C	IP
Service delivery committee (SDC) established	C	C	C	C	C
Municipality Directorate issued Service Delivery Improvement Plan					
Water	Basrah	Karbala	Maysan	Muthanna	Dhi Qar
Service delivery committee (SDC) established	C	C	C	C	C
Liaison staff member named by directorate	C	C	C	C	C
SDPS adopted	C	C	C	C	C
SDSP indicators submitted	C	C	C	C	C
SDC analyzed service gaps	C	C	C	C	IP
Water Directorate issued Service Delivery Improvement Plan					

Sewage	Basrah	Karbala	Maysan	Muthanna	Dhi Qar
Service delivery committee (SDC) established	C	C	C	C	C
Liaison staff member named by directorate	C	C	C	C	C
SDPS adopted	C	C	C	C	C
SDSP indicators submitted	C	C	C	C	C
SDC analyzed service gaps	C	C	C	C	IP
Sewage Directorate issued Service Delivery Improvement Plan					
Education	**Basrah**	**Karbala**	**Maysan**	**Muthanna**	**Dhi Qar**
Service delivery committee (SDC) established	C	C	C	C	C
Liaison staff member named by directorate	C	C	C	C	C
SDPS adopted	C	C	C	C	C
SDSP indicators submitted	C	C	C	C	
SDC analyzed service gaps			IP		
Education Directorate issued Service Delivery Improvement Plan					
Health	**Basrah**	**Karbala**	**Maysan**	**Muthanna**	**Dhi Qar**
Service delivery committee (SDC) established	C	C	C	C	C
Liaison staff member named by directorate	C	C	C	C	C
SDPS adopted	C	C	C	C	C
SDSP indicators submitted	IP	IP	C	C	IP
Service delivery committee (SDC) established	C	C	C	C	C
Liaison staff member named by directorate	C	C	C	C	C
Health Directorate issued SD Improvement Plan					

C: Activity has been completed   IP: Activity is in progress

Crosscutting:

A. Consensus Building:

GSP/Taqadum developed a Law 21 "roadmap" in 2014, which was adopted at all levels of the Iraqi provincial government. This unprecedented consensus has anchored Project activities since May 2014 modification to GSP/Taqadum' s contract made its new mandate official to help set the stage for administrative decentralization.

Targeting eight more provinces to our initial roster of seven (each of which had previously been guided through the project's Decentralization and Mapping Analysis Tool (DMAT) process that identified, analyzed, and determined transferable ministerial functions). The newly targeted provinces were paired with the original seven. This pairing – just one aspect of the project's comprehensive and unified Intergovernmental Coordination Improvement Plan (ICIP) aimed at replicating the project's results in these added provinces – fosters cross-province exchanges of ideas, knowledge, tools, methods, practices, and suggestions.

GSP/ Taqadum has reached through the end of FY2015 a consensus in the following areas:

- Muthanna and Ninawa have completed, earlier than expected, the ICI plans including the three targeted ministries of Health, Education, and Municipalities; then, submitted to HCCP. Regarding these ICI plans, GSP/Taqadum has planned to achieve the additional five (5) targeted southern provinces (Basrah, Dhi Qar, Karbala, Maysan, and Muthanna) and if possible the other three ISIL-controlled (Anbar, Ninawa and Salah Ad Din) during FY2016. GSP/ Taqadum has completed Ninawa and Muthanna ICIPs during this fiscal year and expected to accomplish the rest in the first quarter of FY2016.

- GSP has succeeded to build consensus among 10 governorates to draft amendments to 35 conflicting laws with decentralization (including 131 articles) and have PCs and/ or GOs send official letters to COM and/ or COR during last quarter of FY2015, which is 100% of deconflicting laws even though the target (only 30%) was planned to achieve in FY2016. The 35 laws with 131 articles amended within this unified letter is breakdown as follow:
    - o 15 laws governing ministries with 34 articles;
    - o 7 laws related to MOE with 40 articles;
    - o 6 laws related to NOH with 28 articles;
    - o 3 laws related to Municipality and Municipalities Directorates with 7 articles;
    - o 2 laws related to Water and Sewage Directorates with 20 articles; and
    - o 2 laws related to Urban Planning Directorate with 2 articles

- Perhaps the greatest success story of GSP/Taqadum decentralization efforts to date, has to do with the former Ministry of Municipalities and Public Works (MMPW) by reaching a consensus between the ministry and all local governments on which functions to be devolved to the local level and which retained central. The MMPW is by far Iraq's largest ministry, with each of its directorates seemingly large enough to be considered ministries in and of themselves. It is therefore responsible for delivering the largest amount of citizen services of all ministries. (Note: in early August 2015, the MMPW was merged with the Ministry of Construction and Housing (MOCH) to become the Ministry of Construction, Housing, and Public Municipalities (MOCHPM).

B. **Gender:**

As GSP/ Taqadum primarily provides assistance to local government officials, the project's assistance to vulnerable and underserved populations is largely indirect. GSP/ Taqadum builds the capacity of governments which, in turn, provides specific and improved services to these groups. GSP/ Taqadum is focusing on the readiness of the local governments to undertake its commitment to implement short and long term solutions of the approved Service Delivery Improvement Plan, specifically in the municipality, health and education sectors. GSP/ Taqadum staff highly encourages female government officials to participate in GSP/ Taqadum interventions. The project strives for a rate of 20% women participation throughout activity planning, execution, monitoring and controlling while the actual has come close to the target for FY2015 quarter four; it is as shown in the table below as new work plan elements were adopted:

Female Participation GSP/Taqadum Activities

ACTIVITY	PARTICIPANTS	
	Male	Female
C1. ICIPs Development in Eight (8) Newly Targeted Governorates	180	14
C2. ICIP Consensus Building	26	0
C3. ICIP Implementation – Organizational Development in 12 Provinces	208	47
C4. ICIP Implementation – Financial Framework	216	88
C5. ICIP Implementation – Enabling Legal Framework	139	15
S1. SDIP Implementation – Seven (7) Provinces	73	15
S2. SDIPs Development	199	25
Total for All Activities	**1041**	**204**
Average % Female Participants = 16.4% **Grand Total**	**1245**	

C. **Sustainability:**

Many aspects of GSP/ Taqadum interventions lead to sustainability as follow:

- Through the diligent work of GSP/ Taqadum' s legal team during Phase II (which ended May 31, 2015), in cooperation with provincial and central government entities, 35 pieces of legislation were identified to be in conflict with, or blocking implementation of certain aspects of decentralization and the transfer functions according to the mandate of Article 45 of Law 21, as amended. At the end of FY2015, GSP/ Taqadum has succeeded to build consensus among 10 governorates to draft amendments to 35 conflicting laws with decentralization and have PCs and/ or GOs send official letters to COM and/ or COR .
- GSP/ Taqadum has managed to train PC, GO and Directorates of three ministries (Health, Education and MMPW) on process mapping the functions that involve services where citizen move toward (citizen-centered). GSP/ Taqadum has managed to have provinces process map 50 through the end of FY2015 functions so far and many more are underway. Yet, these As-is process maps will be streamlined and posted during the course of the project.
- Although the target would be achieved in FY2016, GSP/ Taqadum has managed to establish 15 units during FY2015.

Eleven (11) GOs have established two units each; one for budgeting and the other is for accountancy. These two units are counted as one since it replaces Financial Affairs Directorate (FAD) because establishing a directorate needs COR approval and that would take too long to achieve. These two units (FAD Constituents) are responsible for the financing of all spending units in the province; tracking investment and operations budgets execution; performing auditing and financial control; and last but not least, reporting to the Finance Ministry.

In addition, four (4) GOs have established Local Revenue Units (LRU). This unit is responsible for local revenue generation and collection.

- GSP/Taqadum has made a great progress in implementing the short-term solutions approved by the local governments and directorates of the seven provinces: Wasit, Najaf, Kirkuk, Diyala, Diwaniyah, Baghdad and Babil. These solutions are recommended to fill the gaps of services indicators that were identified in the Service Delivery Improvement Plan of each province. The target sectors (services) are Health, Education, Water, Sewage and Municipality.

  Through September 2015, GSP/Taqadum has provinces implement 211 short-term out of 638 solutions identified in the developed SDIPs as accumulative since May, 2015. This represents 33.07 % exceeding the target of this fiscal year (20%) by 11.07 %

  In addition, GSP/ Taqadum has made Najaf implement Eight (8) long-term solutions.

- GSP/Taqadum project focused on supporting Iraq's decentralization process. It organized, in cooperation with Wasit's e-Government Committee, an inauguration ceremony celebrating the launch of Wasit's Electronic Project Monitoring. "The monitoring of projects is one of the important issues that ensure good performance and sustainable projects", said Wasit Governor, Mr. Malik Khalaf. "With the cooperation of GSP/Taqadum, Wasit has initiated the electronic monitoring services." Outlining the goals and advantages of the Electronic Project Monitoring, Governor Khalaf highlighted that it allows citizens to file complaints, and provide comments and feedback.

D. Cost Share:

Project Activity Cost Share (PACS) records all resources mobilized by the GO/GOI to design, review, and engage the Taqadum project. PACS is provided on a quarterly basis. The PACS could comprise office space, conference or training facilities, transportation, service/ utility (electricity for embedded offices), and time spent by GO/GOI (labor in-kind contribution) to:

- Allocate embedded office space in GO/GOI as evidenced by letters of authorization and/or pictures of embedded offices.
- Undertake an activity (training, technical assistance, conference, workshop, or meeting). This is documented by Taqadum activity reports.
- Implement and execute the agreed activity in the work plan as evidenced in Taqadum activity reports and/or supporting material of the concerned activity.
- Allocate or rent temporary conference and training facility and services. This is documented by an event cost share form, attendance sheets, and by a completed event evaluation form.

Cost Sharing for FY 2015 breakdown by quarter:

Province	Activity Cost Sharing Only Y4 Q1	Activity Cost Sharing Only Y4 Q2	Activity Cost Sharing Only Y4 Q3	Activity Cost Sharing Only Y4 Q4	Total
Anbar	-	-	$82	$27,687	**$27,769**
Babil	$37,912	$28,931	$10,305	$14,300	**$91,448**
Baghdad	$26,864	$72,048	$47,495	$43,059	**$189,466**
Basrah	-	-	$12,708	$43,355	**$56,063**
DhiQar	-	-	$7,641	$31,821	**$39,462**
Diwaniyah	$34,264	$36,785	$12,755	$14,848	**$98,652**
Diyala	$34,051	$30,505	$10,215	$13,665	**$88,436**
Karbala	-	-	$15,956	$14,036	**$29,992**
Kirkuk	$28,246	$31,122	$10,341	$25,873	**$95,582**
Maysan	-	-	$21,001	$28,547	**$49,548**
Muthanna	-	-	$18,152	$13,999	**$32,151**
Najaf	$45,562	$47,281	$17,694	$35,661	**$146,198**
Ninawa	-	-	$18,255	$25,451	**$43,706**
Salah Ad Din	-	-	$756	$19,625	**$20,381**
Wasit	$15,500	$40,579	$15,836	$26,785	**$98,700**
Total	**$222,399**	**$287,251**	**$219,192**	**$378,712**	**$1,107,554**

COST EFFECTIVENESS

GSP/ Taqadum' s streamlined and integrated approach to M&E helps make evaluating impact a cost effective initiative. By integrating monitoring and evaluation into staff's scope of work, GSP/ Taqadum ensured that M&E was happening in a cross-cutting comprehensive manner and that data was being collected and analyzed from the ground up. This approach helped contain costs as no additional funds were needed to implement daily M&E activities. GSP/ Taqadum also had a dedicated M&E team to manage the project's M&E platform to control documenting activities, counterparts, participants and the government cost share. M&E database and filing system was improved during this program year to make the reporting data and documentation as precise and easy to fetch.

LESSONS LEARNED

In this section, the lessons learned are specific to Monitoring and Evaluation. The following lessons have nothing to do with the separate *Lessons Learned and Best Practices* report

Lesson Learned #1:

Program Indicators has to Account for the Duration of Executing

During the program year, the timeframe for implementation covered three extensions. This had put a big load on collecting supporting documentation on GSP/ Taqadum' s M&E platform. Especially, GSP/ Taqadum had to release field staff after the first six months extension of implementation making it so hard to collect the evidence such as official letters, government reports and late events documentation.

Since some of indicators, from modification of proposal to the next, are inter-related, the duration of the project should be sufficient in order not to put another burden on field staff in collecting documents, especially M&E team is highly cost effective in this project. This will ensure that field staff being more focused towards achieving the project targets.

This needs to be taken in consideration when setting up a new request for proposal to put forward the ultimate goal balanced with the life of project.

Lesson Learned #2:

Improving the Local Governments towards Efficient Decentralization

As GSP/ Taqadum is in the process of reaching the point that local governments have improved structure, system, and skills, it's time now to prepare these governments to tackle the new responsibilities came out of the decentralization and functions devolution. During the life of GSP/ Taqadum, local governments became more independent and feel the confidence to be better than the central government in delivering services to Iraqi citizens.

It's time for USAID to think deeply in designing mature programs for planning and executing the authorities and functions devolved from the center to the local governments.

Lesson Learned #3:

Setting a Measuring System to Manage Well

Forming monitoring and oversight units and developing field test performance standards were targets in common among most of GSP/ Taqadum elements. The project has been successful in its application and impact as evidenced by the remedial actions represented by the short and long term solutions within developed SDIPs taken by directorates to improve services.

This approach and its application is the core of strengthening management and in turn governance. It needs to be considered in most of future development programs.

RECOMMENDATIONS FOR FUTURE GOVERNANCE SUPPORT

This section outlines future governance support. This support is not considered a part of current activities but is illustrative of future governance support.

The three recommendations below, related to measuring local government in the advent of devolution as a consequence of the Second Amendment to Law 21, are linked together.

Recommendation #1:

Establishing Monitoring and Evaluation Units in PC and GO

The establishment of a monitoring and evaluation unit in the PC and GO is designed to ensure that key decision-makers during the devolution phase can quickly grasp the progress of this considerable endeavor by reviewing key performance indicators and take the necessary actions to remedy potential problems.

Additionally, the work of the M&E unit can be linked to the variety of improvements being conducted by the internal consulting units working on organizational development improvement solutions. The M&E unit could also be used to collect other important management data for planning and decision-making processes.

Recommendation #2:

Enacting Local Revenue Collection Laws and Instructions

Law 21 includes several sources for local governments to collect revenue. However, it lacks laws and instructions for the collection and use of these revenues. Enacting such laws and guidelines will assist local governments in generating revenue and help them meet citizen's needs with fewer instances of corruption and misuse.

Recommendation #3:

Scientific Citizen Satisfaction Survey of Public Service Delivery Prior to Devolution

Article 45 of the Second Amendment to Law 21 devolves the functions and authorities of eight key ministries. Ahead of this move to decentralize duties, services, and competencies to local administrative units, a set of baseline surveys to gauge citizen satisfaction with the services provided by these ministries needs to be conducted. The survey will be scientific in nature to establish a level of confidence in its results and so that future surveys and competent comparisons can be made.

The support for a scientific survey of current public services establishes a respected benchmark for local government to hurdle upon partial or full devolution, a minimum expectation from citizens that will surely increase over time. This is a critical step because it immediately frames performance through a measurement platform from which a default goal is established.

Annex A. Program Highlights and Success Stories

Babil and Diwaniyah Officials Thank GSP/Taqadum' s Assistance in Averting Major Flooding

Gaps left by collapsed segments or gaps in the sewage and storm drain systems throughout Iraq have left many cities flooded and paralyzed in times of heavy rain. Identified as part of GSP/Taqadum' s Service Delivery Improvement Plan (SDIP) process developed in cooperation with the seven initially targeted provinces, short- and long-term solutions were established to remedy these flooding issues. In Babil and Diwaniyah, advance rapid response planning was responsible for averting the normal flooding and paralyzation that plaque these provinces following heavy rains.

The problems plaguing Iraq's sewer and storm drains are many and widespread. Unstable delivery of electricity causes pumping stations to stop dead in their tracks. Many pumping stations are outdated and in disrepair. A growing urban population and misuse by citizens who lack understanding of how drainage systems work taxes these dilapidated systems beyond their capabilities. Insufficient maintenance and delays in sewer projects are caused by poor central planning – in Baghdad, for example, concrete sewage networks installed in the sixties are crumbling under the soil above, and a contract signed in 2011 with an international company to construct a large plant had not moved forward as of 2013 because the government did not provide a blueprint or specifications for the facility. Corruption is yet another challenge. Construction contracts awarded to Iraqi contractors are riddled with problems such as going over budget, problems with right-of-way, exceeding deadline, and/or abandonment of projects before completion.

Gaps left by collapsed segments or gaps in the sewage and storm drain systems throughout Iraq have left many cities flooded and paralyzed in times of heavy rain. These gaps and other issues were identified as part of GSP/Taqadum' s Service Delivery Improvement Plan (SDIP) process developed in cooperation with the seven initially targeted provinces, short- and long-term solutions were established to remedy these flooding issues.

Based on weather reports that predicted heavy rains during this reporting period, and understanding the potential for major flooding if emergency preparatory steps were not taken, GSP/Taqadum service delivery (SD) advisor, Mr. Yousif Al Qadhi, quickly contacted SD project staff in the seven initially targeted provinces. Providing them with technical information such as city maps showing gaps in the network as well as areas not covered by the network at all, he instructed GSP/Taqadum staff to contact and assist provincial officials in establishing a rapid response, precautionary plan for the expected storm water and flooding. Responding immediately to this request, Babil and Diwaniyah Provincial Council Services Committee, Governor's Office and appropriate directorates, in cooperation with GSP/Taqadum, held emergency meetings and forged rapid response plans to deal with potential storm water flooding.

In both provinces, following GSP/Taqadum-supplied materials and information, government officials and workers prepared manpower and machinery from the Municipality, Municipalities, Police, Sewer, and Civil Defense directorates; contacted the Oil Product Department and Electricity Directorate and directed them secure fuel and electrical power to the machinery and suction pumps; Water Directorate workers were sent to clean and open canals in unserved areas; the Governor's Office release funds to support the sewage directorate renting rain disposal tanks from the private sector; and reserve funds were set aside for hiring and contracting workers and machinery should the need arise.

GSP/Taqadum's Cooperative Approach Wins Adoption of Unified GO Organizational Chart Model

GSP/Taqadum meeting with Dr. Torham Al-Mufti and HCCP legal advisors finalizing the unified organizational chart modeling the structure of the Governor's Offices

Some successes happen overnight. Others are a long time in the making. Some are a synchronistic combination of both.

When Iraq's central government entity, the High Commission for Coordination between Provinces' Secretariat (HCCPSEC) recently asked GSP/Taqadum for assistance in the development of a unified organizational chart for the provincial Governor's Office (GO), we were able to deliver one to them virtually overnight. Within days of HCCPSEC's request, project Organizational Development (OD) staff provided a comparative analysis between an organizational chart GSP/Taqadum had prepared in cooperation with provincial government representatives, and another prepared by an ad hoc committee established last year by Prime Minister Dr. Haider Al-Abadi. With a few minor changes made, GSP/Taqadum's chart was quickly approved by the HCCPSEC and its adoption is expected at the next meeting of the High Commission for Coordination between Provinces (HCCP).

This latest success signals meeting the third of three organizational development objectives GSP/Taqadum set out to accomplish via stakeholder consensus in Phase II:

1. Adoption of the unified Governor's Office organizational chart by stakeholders
2. Setting in place a mechanism for identification of the organizational framework and future relationship with stakeholder institutions
3. Develop a Simplified Guide for previous Governor's authorities (Note: GSP/Taqadum Organizational Development staff are awaiting the new, expanded authorities to be transferred, as per Article 45, Law 21, as amended, and will then adapt the final product , which will be more comprehensive.)

This success is also the product of GSP/Taqadum's consistent and adaptable approach. When project staff originally approached Government of Iraq (GOI) officials and offered to assist in the preparation of a unified organizational chart for the GO, Prime Minister Al-Abadi also authorized an ad hoc committee to prepare a chart headed by Ministry of Planning (MOP) General Director of Administrative Development and Information Technology Institute, Dr. Kadhum Al-Ekabi. The institute is responsible for the training and capacity building of the staff of all of Iraq's ministries.

GSP/Taqadum then began work with local provincial government officials, who, unsure of exactly what new responsibilities the transfer of functions would bring, readily accepted the offer of assistance in creating the GO organizational chart. Project staff held two regional workshops for representatives of GO Human Resource (HR) and their HR counterparts in provincial ministerial directorates from the seven initially targeted provinces (Jan. 6-8, and March 29-30, 2015). The topics covered the three OD objectives (among them preparation of an organizational chart), and aimed at ensuring that GO HR systems would be able to the handle new supervisory responsibilities by the August 5 decentralization deadline, set by Law 21, as amended. Given GSP/Taqadum and Dr. Ekabi's committee were working in parallel, he accepted the project's invitation to give a presentation of the ad hoc committee' results.

Following the guidance of recommendations submitted, and working closely with provincial representatives as part of workshop follow-up – early success saw Najaf provincial officials fully support and participate in chart development – GSP/Taqadum facilitated the preparation of a unified organizational chart. The other provinces soon adopted the structure of this chart, with each making minor adjustments based on their staffing needs and protocols.

After the August 5 deadline passed, Advisor to the President, Dr. Torhan Al-Mufti, was appointed by Prime Minister Al-Abadi to head the newly established HCCPSEC. As part of taking stock of the status of the decentralization process and communications between the provinces and central government, Dr. Mufti met with GSP/Taqadum Chief of Party, Mr. Cameron Berkuti on October 19. GSP/Taqadum' s unified chart was among the many issues discussed, with Dr. Mufti stating that Prime Minister Al-Abadi said the transfer of functions could not occur unless an organization chart was in place.

Dr. Mufti requested an immediate meeting with project OD specialists and a presentation of the chart. After meeting with GSP/Taqadum OD specialists the next day (Oct. 20), Dr. Mufti then requested GSP/Taqadum meet with HCCP legal advisors and head of the ad hoc chart committee, Dr. Ekabi and present a comparative analysis of the chart prepared by the ad hoc committee and that of GSP/Taqadum. On Oct. 27, strengths and weaknesses of both proposed structures were reviewed to which HCCPSEC Legal Advisor, Mr. Khalik Ibrahim, responded, "GSP/Taqadum' s proposed structure would best establish a long-term and sustainable institutionalized system for provinces." (This meeting was mentioned on the High Commission for Coordination between the Provinces Facebook page: https://www.facebook.com/mohafadat).

The result of this meeting saw participants agreed to adopt GSP/Taqadum' s unified organizational chart modeling the structure of the Governor's Offices, with one added amendment: the addition of a more detailed structure to the GO divisions, complete with the addition of an Investment Commission instead of a General Department of Financial Affairs. This agreed upon organizational structure clarifies the varying levels of responsibilities and communication between each of the eight provincial directorates and their respective GOs; and is reflective of the implementation of decentralization as per Article 45, Law 21, as amended, which stipulates the eight directorates in each province be contained within the Governor's Office of that province.

GSP/Taqadum SDIP Process Increases Potable Water Supply in Ghamas Sub District

Water shortages plague Iraq. Decades of war, sanctions, migration, and lack of maintenance have left the country's water and sewer infrastructure in shambles and have caused millions of Iraqis to live without potable water and /or working sewer systems. The Tigris and Euphrates rivers, which account for 98 percent of Iraq's surface water and are responsible for supplying industry and agricultural irrigation, are not acceptable sources of drinking water. Yet the lack of clean drinking water has forced a reported 60 percent of the population to use river water for domestic purposes, causing an increase in cases of diarrhea – 95% of which have been sourced back to contaminated water from rivers.

Thanks to GSP/Taqadum' s Service Delivery Improvement Plan (SDIP) process work, done in ongoing cooperation with Iraq's provinces, communities have begun to address and solve some of their dire water issues.

Ghamas, a rural Nahiya (Arabic for the word "sub-district") of Diwaniyah, has been suffering from a long-term – up to 60 percent in recent years – shortage of potable water. Two water projects established in the 70s and 80s were only able to meet 30 percent of the community's water needs. More than a decade ago, in 2003, local water directorate officials identified increasing the water supply as a pressing need. Relevant data was collected, an environmental impact study was conducted, a population census was completed, project location and water sources were identified, and approvals from concerned agencies were received, all of which were provided in a detailed plan to construct a new water project with a capacity of 2000 QM/H. Unfortunately, no funding was available to support the project.

In 2009, the World Bank stepped in with funding, but cut the project's capacity in half, to 1000 QM/H. From the beginning, the project, run by an outside general contracting company, faced numerous setbacks and obstacles. After many site visits and project reports, it was eventually officially labeled as a delayed project. Finally, the project was completed on March 31, 2015 (its "start-up" operation phase had begun on November 1, 2014), no one in the Governor's Office or employees of the Water Directorate would take responsibility for its turnover, fearing an investigation of the integrity commission sometime in the future.

Working closely with GO officials and water directorate employees, *GSP/Taqadum*' s staff introduced its SDIP process, through which the receivership of the project was identified as a short-term solution. Part of this short-term solution called for a committee to be established that would officially receive the project. A long-term solution – to begin operation of the project – was also identified. Given the original delays in the project, it took a large effort to create the receivership committee. But with project staff's assistance and assurance, the project was officially received and began "official" operation on August 16. Since then, water shortage percentages have dropped to 30%, and the quality of water has improved significantly.

A completion report published by the Water Directorate states, "Thanks to the Service Delivery Improvement Plan, developed by our directorate with the assistance of GSP/ Taqadum… committee was set up for preliminary handover, and the project was received and is currently functioning. The quality of drinkable water has increased to 75% in comparison with the previous rate of 35%. "

Encouraged by this progress, Water Directorate officials went on to add network pipes to the Nahiya's system in order to meet the additional capacity provided by the successful completion and turnover of this project. The Water Directorate completion report states, "To execute and operate this project, our directorate exerted a large effort… which is strongly considered a remarkable success to our directorate in that it supplies drinkable water to all in our Nahiya."

Water Delivery Increased to Meet Citizen Needs

Acute water shortage alleviated thanks to *GSP/Taqadum' s* SDIP process identifying completion of compact water treatment plants

GSP/Taqadum service delivery specialist meets with Wasit's Water Director, Mr. Abdul Khadum Thamir, to verify the completion of the project.

U.S. Agency for International Development

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The project's extension on June 1 of this year coupled with the Government of Iraq's continued commitment to decentralization has seen GSP/Taqadum' s work grow to exponential levels. Much of our work is hands-on with ministry, and local government officials and their staff, and therefore is rewarding in and of itself. Yet the result of that work is more long-term and not quickly visible. It is in the area of service delivery where we get to see the more immediate results of our activities – results that directly improve the lives of Iraqis. This was the case in Wasit this week, where two compact water treatment plants are currently in operation as a direct result of the cooperative relationship between GSP/Taqadum service delivery staff and Wasit's water directorate and Governor's Offices officials. Working collaboratively through the project's Service Delivery Improvement Plan (SDIP) process, they were able to identify short- and long-term solutions that were implemented and immediately improved the lives of citizens in their communities.

Earlier this year, it was determined that the Kut District was suffering from an acute water shortage due to insufficient and fluctuating water pressure levels caused by the district's dilapidated and aging water treatment plant pumps. This shortage was compounded by the region's growing population, which including an ongoing IDP (Internally Displaced Persons) influx and related increase in water needs. At the same time, water treatment facilities from surrounding communities were being taxed by their attempts to support the Kut District's water needs.

Last March, in cooperation with GSP/Taqadum, the Director of Wasit's water directorate, Jawad Abdul Khadum Thamir, presented the results of the jointly prepared SDIP to Governor, Mr. Malik Khalaf Wadi. The SDIP called for the completion of two delayed compact water treatment plant projects, each responsible for providing 400 cubic meters of water per hour. After reviewing the proposed solution, Governor Wadi issued orders to complete construction of the two projects and get them up and running.

Water Delivery and Trash Collection Services Increased

GSP/Taqadum's SDIP process benefits community by increasing water supply, offering alternatives to illegal dumping, and raising green area indicator value

water network in two neighborhoods

The week of (August 19-26), GSP/Taqadum's staff saw the benefit of its Service Delivery Implementation Plan (SDI) process in not just one, but two different service delivery areas: water and trash collection in the province of Diwaniyah.

According to a United Nations March 2014 "Water in Iraq Factsheet", thirty years of conflict and a lack of capital investment have left Iraq's water infrastructure in shambles. The negative effects of climate change, years of drought (considered "one of the most serious crises facing Iraq") and a population both growing and on the run due to ongoing terrorist violence have worked to severely limit the country's ability to supply water to its citizens. Although a 2012 UNICEF study stated that "88 percent of the population has access to potable water," it also touted "significant differences among governorates and between urban (98 percent) and rural (77 percent) areas" with 6.2 percent of Iraqis not having access to an "improved water [treatment] facility." This translates into polluted water and "increased risk of waterborne diseases especially among vulnerable groups such as children and women," as well as citizens taking matters into their own hands and illegally tapping into local water networks.

Iraq's population growth, mirrored by its mushrooming economy and increased individual income, and has also contributed to a reported production of "31,000 tons of solid waste every day with per capita waste generation exceeding 1.4 kg per day." This increase has overtaxed the country's heavily damaged and outdated waste management infrastructure, leaving people with nowhere to put their trash except in open spaces, i.e., unregulated and/or illegal dumping sites or public properties where "spontaneous fires, groundwater contamination, surface water pollution and large-scale greenhouse gas emissions" are the norm.

GSP/Taqadum's SDIP staff assisted in the identification of the following water and sanitation solutions in Diwaniyah: 1) expansion of the water networks servicing the province's Ghader and Al Shourta neighborhoods; and 2) sanitation relief and land reclamation.

Regarding water supply, the provincial Water Directorate identified and implemented a solution: expand the water network servicing the two neighborhoods by adding 1540 LM (linear meter) of water piping to serve a total of 3,350 beneficiaries. Additionally, extensive repairs were made to the main water supply pipe and all illegal tapping of the water network in the center of the province was eliminated. Accomplished at no expense thanks to the Directorate's use of the 4" and 6" plastic PVC piping it had in storage, the implementation of this solution increased water services to citizen.

Addressing trash collection and dumping issues, the Municipality Directorate, via

A New Day Dawns: MOCHPM First to Decentralize

MOCHPM First Ministry to Actually Transfer Not Only Functions, But Also General Directorates to the Jurisdiction of Local Government

"Strengthening Iraq's federal system is a key plank of [Iraqi] Prime Minister Abadi's national program, and is a key pillar of the Government of Iraq's strategy to improve governance and stabilize the country. The U.S. Agency for International Development's (USAID's) Service Delivery Project (Taqadum) supports the Government of Iraq's efforts to decentralize responsibilities for service delivery from three central ministries, which serves as a model from which other national ministries can emulate."

– The White House, Office of the Press Secretary – Fact Sheet: US-Iraq Cooperation, April 15, 2015

https://www.whitehouse.gov/the-press-office/2015/04/14/fact-sheet-us-iraq-cooperation

U.S. Agency for International Development

www.usaid.gov

Successes are not always easy to see or measure, or even materialize. This is especially true in Iraq's constantly shifting environment, where something seen as a success one day may disappear the next day. Or in some cases, be totally hidden from view due to more attention-getting media reports of flux and mayhem. Yet, there are hidden positives produced thanks to consistent and heroic efforts by those interested in moving Iraq forward in the face of all odds.

This is the case with GSP/Taqadum's long-term and ongoing decentralization work, which, in cooperation with the Ministry of Construction, Housing and Public Municipalities (MOCHPM) – the resulting entity of the recent merging of the Ministries of Construction and Housing (MOCH), Municipalities and Public Works (MMPW), culminated in a truly enormous success this week. On October 1, MOCHPM announced not only its desire and preparedness to transfer functions, but the start of its actual transfer of identified functions and related directorates to provincial government entities.

Coming one month earlier than Council of Ministers Decision No. 304 (a three-month extension of Article 45, Law 21's August 5 deadline) that stipulates a gradual transfer of functions by November 4, this announcement heralds a landmark completion of one-third of GSP/Taqadum's overall objective. Originally slated to work with three targeted Ministries – Health, Education and the former MMPW – the MOCHPM is not only the first of our three targeted ministries to begin the transfer of functions and directorates, but it is also the first ministry in all of Iraq.

Since August 2014, GSP/Taqadum has worked collaboratively with the MOCHPM (formerly MMPW and MOCH) laying the groundwork for this success. However, although the Ministries of Education and Health participated early on with our Decentralization Mapping Analysis Tool (DMAT), a process we created to identify, analyze and help determine transferable ministerial functions, the MMPW stayed on the sidelines. It wasn't until January 2015 that newly appointed Deputy for Administrative Affairs, Mr. Yilmaz Shahbaz Abbas, finally agreed to meet with *project* staff. Our goal was to share our DMAT work and results with MMPW officials and staff as an introduction to how we could assist their decentralization process. And so began Iraq's true launch into the reality of decentralization.

From early January 2015 until the present time, *GSP/Taqadum* met dozens of times with a variety of MMPW officials and staff, including

the minister, his deputies, director generals and their assistants, and all department managers, in many cases in the presence of provincial government representatives from the Provincial Councils, Governor's Office and sub-directorates operating in the provinces. Information regarding *GSP/Taqadum' s* work with the 15 provinces was shared; recommendations were made and reviewed; capacity levels were identified, as were training and development courses needed to support the transfer of functions; inventory of resources (staff and equipment, moveable and immovable) was taken; human resource (HR) databases were prepared; mechanisms to transfer knowledge from the ministry to the local government and to complete implementation of current ongoing project were created – all in preparation to meet the August 5 decentralization deadline.

While the Ministries of Health and Education went through a similar process, both have recently stayed their decentralization efforts awaiting passage of a third decentralization amendment. Yet, the MMPW has continued forward, even after its merging with MOCH. On September 30, in cooperation with *GSP/Taqadum*, a meeting was held between the newly merged MOCHPM and provincial representatives, in the presence of the former advisor to the president of Iraq, Mr. Torhan Mufti. Paving the way for the actual of transfer functions and related directorates to provincial government entities, in addition to resolving the issue of contested functions, the following mechanisms were agreed upon: 1) Delivery and receipt of movable and immovable property; 2) Delivery of staff database and inventory of employees' salaries; 3) Completion of the implementation of ongoing Ministry contractual projects; 4) Transfer of knowledge and expertise from the ministry to the provinces and capacity building for the staff of sub-directorates in the provinces to support the implementation of the functions that will be successfully transferred; 5) Implementation of the ministry's planning and public policy in coordination with the provinces.

In addition to meeting the decentralization mandate, the transfer of functions will expand provincial powers, thus improving the delivery of services to the people of Iraq. Expanded powers include: 1) administration, training and development, transfer, and permanent and temporary appointment of human resources; 2) control over operational budget and revenues; 3) the ability to propose, contract, and implement investment projects; 4) the ability to determine needs (vehicles, devices and other items); and 5) broad legal powers to manage the affairs of sub-directorates.

Transferring these administrative, financial, legal and technical powers currently enjoyed by the minister to the Governor and provincial government will: 1) reduce red tape when responding to immediate service needs; 2) allow for the proposal of investment projects consistent with citizen needs; 3) install human resources as needed (short- and long-term) to meet shortfalls in the provision of services; 4) allow for the provision of vehicles, devices and backup materials for the purposes of maintenance and operation, as well as other materials that might be needed in order to deliver a service in a timely manner, and thus enhance the quality and quantity of services delivered; and 5) make training and development courses available to staff based on need.

Since its inception in 2011, USAID/Iraq's *GSP/Taqadum* has engaged with provincial leaders to increase accountability and transparency in local governance and improve provincial-level service delivery. *The key element throughout the project has been building the capacity of the local government to better provide services to its citizens.* With the MOCHPM's recent action, *GSP/Taqadum* has moved closer to fulfilling this important goal, which brings with it security, possibilities for economic growth, and improved governance.

New Law Aligns with Decentralization

First law enacted harmonizes legislation and heralds a first step toward resolving the issue of legislation in conflict with decentralization

Issue No. 4380 of the Government of Iraq's official Gazette, Al-Waqa'a Al-Iraqi, posted online on September 14, 2015 containing the newly enacted Law of Fining, No. 31, 2015
http://www.moj.gov.iq

The key element in GSP/Taqadum's efforts with Iraq's legal sector is to support efforts to create an enabling legal environment that moves the administrative decentralization process forward in a legitimate and sustainable way. Through the diligent work of GSP/Taqadum's legal team during Phase II (which ended May 31, 2015), in cooperation with provincial and central government entities, 35 pieces of legislation were identified to be in conflict with, or blocking implementation of certain aspects of decentralization and the transfer functions according to the mandate of Article 45 of Law 21, as amended. Currently, in Phase III, one of our goals is the removal of these blockages by harmonizing decentralization laws and regulations, which involves the drafting of new, and the amending of existing legislation to better align with decentralization.

The passing of Law of Fining, No. 31, 2015, published on the government of Iraq's online Gazette on September 14, 2015, replaces an older law, Law of Fining, No. 12, 2006. In doing so, it is the first law to be enacted that harmonizes one of the conflicts with Law 21, as amended. It's passing not only marks a huge step forward in Iraq's decentralization process, but also represents a huge success on the part of GSP/Taqadum legal staff who have set a goal to work collaboratively with central and provincial entities to harmonize the conflicts on 35 laws (34 as of September 14) currently blocking aspects of the decentralization implementation process.

"The new law supports implementation of decentralization and grants the governor wide authorities to safeguard public funds and hold accountable the employees who fail to fulfill their duties," said Babil's Deputy Governor, Hasan Mandil. "We thank GSP/Taqadum's legal specialists who have been guiding us since the beginning through the legal challenges of this decentralization process."

Indeed, the new law itself represents a significant advance in this process. Where the old law supported a centralized government structure and gave exclusive authorities to ministers, allowing them to impose fines on employees in cases where an employee's actions (negligence, dereliction of duty, or violation of laws, regulations and instructions) caused damage to government or public property; the new law allows governors to exercise their authorities over all employees working throughout their respective provinces.

According to the old law, governors were not allowed to intervene or hold accountable the negligent employee who caused harm or wasted public funds. Now, under the new law, governors can exercise their authorities over all employees working throughout the province.

The following are among the wide array of authorities granted to governors by the newly passed Law of Fining, No. 31, 2015, identifying them as the highest executive officers in the provinces and responsible for taking legal actions against violators:

- Forming an investigative committee to launch investigations of employees actions included in provisions of this law, with the aim of identifying: 1) who is responsible for causing the damages; 2) the value of the damage
- inflicted; and 3) and identifying the reimbursement amount;
- Issuing a decision regarding reimbursement based on recommendations of the investigative committee;
- Identifying the amount of reimbursement and mechanism of payment whether by cash or installments;
- The right to take legal action against the person(s) responsible for causing harm to public funds and refer them to the courts in cases where the act constitutes a punishable crime according to Penal Code of Iraq No. 111, 1969, as amended.

This success can be traced back to November 2014, when GSP/Taqadum hosted a three-day, national workshop titled, "Legal Challenges to the Implementation of Administrative Decentralization." This workshop heralded the process of working closely with high level central and provincial officials and legal staff to identify laws in conflict that were blocking the implementation of decentralization. Participants discussed laws governing the work of the Ministries of Health, Education and Municipalities and Public Works, as well as laws held in common by all ministries, with the goal of beginning to identify laws in conflict with decentralization. By the workshop's end, the 35 laws were identified as being in conflict with administrative decentralization, and in particular, implementation of Article 45 of Law 21 of 2008 as amended.

After the conference, *GSP/Taqadum* continued this identification process by working with Provincial Council (PC) legal committees and hosting regional workshops held in cooperation with provinces where *project* legal staff presented the concept of forming a Legal Working Groups (LWGs) within each PC in targeted provinces to research, analyze and draft laws and regulations; and also to track the implementation of legislation.

There is no doubt, interest in *GSP/Taqadum' s* decentralization approach is growing across Iraq. The ongoing commitment on the part of the United States and USAID-Iraq, reflected in *GSP/Taqadum' s* 16-month extension, was greeted with relief at all levels of government – particularly at the provincial level. Admittedly, there is much to do before administrative decentralization becomes a working reality, and the process to get there is only in an infancy stage, with each next step created as the current step demands. There is also the horror of the Islamic State forces and threats of extreme violence that are part of our everyday reality.

Yet, successes such as this one, act to bolster our work because we understand how decentralization will provide structure and processes, and build the capacity of the local government *to better provide services to Iraq's citizens* – the key element driving our work and a key element to bringing security to Iraq.